



City Hall ♦ 333 West Ellsworth Street ♦ Midland, Michigan 48640 ♦ 989.837.3300 * 989.837.2717 Fax ♦ www.cityofmidlandmi.gov

REGULAR MEETING OF THE MIDLAND CITY COUNCIL
City Hall, 333 W. Ellsworth Street

January 23, 2017

7:00 PM

AGENDA

CALL TO ORDER - Maureen Donker, Mayor

PLEDGE OF ALLEGIANCE TO THE FLAG

ROLL CALL - Thomas W. Adams
Steve Arnosky
Diane Brown Wilhelm
Maureen Donker
Marty A. Wazbinski

CONSIDERATION OF ADOPTING CONSENT AGENDA ITEMS:

All resolutions marked with an asterisk are considered to be routine and will be enacted by one motion. There will be no separate consideration of these items unless a Council member or citizen so requests during the discussion stage of the "Motion to adopt the Consent Agenda as indicated." If there is even a single request the item will be removed from the consent agenda without further motion and considered in its listed sequence in regular fashion.

APPROVAL OF MINUTES:

1. * Approve minutes of the January 7 special and January 9 regular City Council meetings. TISDALE

PROCLAMATIONS, AWARDS, RECOGNITIONS, PRESENTATIONS:

PUBLIC HEARINGS:

2. Amendment to the 2016-17 Currie Municipal Golf Course Fund budget to increase revenues and expenses by \$17,000 for tree removal and reforestation, and replacing the carpeting in the West Club House (also see material sent in the January 9 agenda packet). KEENAN

PUBLIC COMMENTS, IF ANY, BEFORE CITY COUNCIL. This is an opportunity for people to address the City Council on issues that are relevant to Council business but are not on the agenda.

ORDINANCE AMENDMENTS:

RESOLUTIONS:

3. Receiving and filing the Comprehensive Annual Financial Report and Single Audit Report for the year ended June 30, 2016. KEENAN
4. Making Traffic Control Orders Permanent as they relate to the Downtown Midland Streetscape. MCMANUS

 - a. TCO P-16-06 - That parking shall be prohibited on Ashman Street from Main Street to 85 feet northeast of the centerline of Main Street.
 - b. TCO P-16-07 - That parking shall be prohibited on the north side of Ashman Street from 85 feet to 124 feet northeast of the centerline of Main Street to accommodate a loading zone.
 - c. TCO P-16-08 - That parking shall be prohibited on the north side of McDonald Street from Main Street to 80 feet northeast of the centerline of Main Street and on the side of McDonald Street from Main Street to 80 feet southwest of the centerline of Main Street.
 - d. TCO P16-09 - That parking shall be prohibited on the south side of Rodd Street from Main Street to 80 feet southwest of the centerline of Main Street.
 - e. TCO P-16-10 - That parking shall be prohibited on the south side of Rodd Street from Main Street to 135 feet northeast of the centerline of Main Street for the purpose of establishing a bus loading zone.
 - f. TCO S-16-01 - That the intersections of E. Main Street and Ashman Street, E. Main Street and McDonald Street, and E. Main Street and Rodd Street shall operate as All-Way Stop Control. And that the traffic signals shall be removed.
5. Receiving and filing the 2017-18 Construction Priorities Report. MCMANUS
6. * Recognizing the Currie Municipal Golf Course Fund's 2016/17 adopted budget as the current deficit elimination plan and authorizing submission of this plan to the Michigan Department of Treasury. KEENAN
7. * Adopting the MDOT Performance Resolution for Governmental Agencies to facilitate State Right of Way Permits. MCMANUS.
8. * Making Traffic Control Orders Permanent. MCMANUS

 - a. * P-16-04 - That all day parking, from 6 a.m. to 3 a.m., shall be permitted on the north side of Ohio Street between Carolina Street and Tennessee Street.
 - b. * P-16-05 - That parking shall be prohibited on the west side of Schade Drive from Oakfield Drive to 125 feet south of W. Wackerly Street; and that parking shall be prohibited between 7 a.m. and 6 p.m. Monday through Friday, on the east side of Schade Drive from Oakfield Drive to 125 feet south of W. Wackerly Street.

- c. * S-16-02 - That Courtside Drive shall stop for Woodview Pass.
- d. * S-16-03 - That Foxwood Drive shall stop for Woodview Pass.
- e. * S-16-04 - That Woodview Court shall stop for Woodview Pass.
- f. * S-16-05 - That Pine Haven Circle shall Yield to Foster Road.

9. * Approving the request of the Safe & Sound Child Advocacy Center to conduct a Superhero 5k Fun Run & Walk on Saturday, May 6. MCMANUS

Considering purchases and contracts:

10. * 2017 Bayliss Street Reconstruction and Water Main; Contract No. 2.
MCMANUS

11. * Light Duty Vehicle purchase. MURPHY

12. * Winter Blend Diesel Fuel purchase from January 11 (4/5 vote required).
MURPHY

13. * ESRI Geographic Information System Software Maintenance and Support Services (4/5 vote required). UNDERHILL

Setting a public hearing:

14. * Zoning Petition No. 608 - to amend the City of Midland Zoning Map by rezoning property located at 1400 Bayliss Street from RC Regional Commercial zoning to RB Multiple Family Residential zoning subject to offered conditions (2/13). KAYE

NEW BUSINESS:

TO CONTACT THE CITY WITH QUESTIONS OR FOR ADDITIONAL INFORMATION:

Citizen Comment Line:	837-3400
City of Midland website address:	www.cityofmidlandmi.gov
City of Midland email address:	cityhall@midland-mi.org
Government Information Center:	located near the reference desk at the Grace A. Dow Memorial Library

Backup material for agenda item:

1. * Approve minutes of the January 7 special and January 9 regular City Council meetings. TISDALE

January 7, 2017

A special meeting of the City Council was held on Saturday, January 7, 2017, at 9:00 a.m. in the Council Chambers in City Hall. Mayor Donker presided.

Councilmen present: Thomas Adams, Steve Arnosky, Diane Brown Wilhelm, Maureen Donker, Marty Wazbinski

Councilmen absent: None

City Council Planning Session

Director of Community Affairs Selina Tisdale provided an overview of Midland's sister city relationships and programs. Council felt the relationship with Handa, Japan was valuable and should be continued via the student exchange program. An upcoming legislative exchange will be programmed into the FY 2017-18 budget and the appropriation will be reviewed during budget adoption.

Fire Chief Chris Coughlin outlined prior work done projecting fire service coverages in the community and new facility & staffing improvements recommended to accommodate growth. Staff will initiate efforts to secure property for a fourth fire station north of US-10.

Communications Coordinator Katie Guyer provided an overview of the City's social media utilization, user analytics, and general strategies employed when communicating with the community.

Bill Allen, CEO of the Midland Business Alliance, outlined how the Midland Area Chamber of Commerce has evolved into this new umbrella organization. He touched on the range of new business development services offered as well as a contract with Buxton to engage in retail and restaurant attraction.

Becky Church, President of Midland Tomorrow, provided an update on efforts addressing business attraction and retention in the city and throughout Midland County.

Jenifer Boyer, Midland County Emergency Management Coordinator, discussed the community emergency operations plan and how the roles are filled by the City and County within the plan. She touched on historic emergency events such as seasonal flooding and the steps employed to plan and respond.

Assistant City Manager Dave Keenan outlined anticipated financial performance of the organization for the remainder of this fiscal year and for FY 2017-18.

Mayor Donker led Council in a conversation regarding Council expectations with respect to the FY 2017-18 budget. Council discussed, in preparation of the FY 2017-18 budget, an increase of operating millage between 0.25 and 0.5 mills, sustained public services, improving fund balance by allocating up to \$3.5 million of PPT reimbursement to future budget stabilization, planning for a community roundtables process during the upcoming fiscal year, and use of up to \$750k of PPT reimbursement to balance the budget if necessary.

Being no further business the meeting adjourned at 2:30 p.m.

Jon Lynch, Deputy City Clerk

January 9, 2017

A regular meeting of the City Council was held on Monday, January 9, 2017, at 7:00 p.m. in the Council Chambers of City Hall. Mayor Donker presided. The Pledge of Allegiance to the Flag was recited in unison.

Councilmen present: Thomas Adams, Steve Arnosky, Diane Brown Wilhelm, Maureen Donker

Councilmen absent: Marty Wazbinski

MINUTES

Approval of the minutes of the December 12, 2016 regular meeting was offered by Councilman Brown Wilhelm and seconded by Councilman Adams. (Motion ADOPTED.)

2016-17 GRACE A. DOW MEMORIAL LIBRARY BUDGET AMENDMENT

Grace A. Dow Memorial Library Director Melissa Barnard presented information on an amendment to the 2016-17 Grace A. Dow Memorial Library budget for fascia restoration at the Library and an agreement for the restoration work. A public hearing opened at 7:10 p.m., recognizing no public comments, the hearing closed at 7:10 p.m. The following resolution was then offered by Councilman Arnosky and seconded by Councilman Adams:

WHEREAS, the City of Midland has received grants in the amount of \$440,000 from the Alden and Vada Dow Family Foundations and The Herbert H. and Grace A. Dow Foundation to fund the restoration of the fascia on the library; and

WHEREAS, in accord with Section 11.6 of the Charter of the City of Midland, and after having given proper legal notice, and having conducted a public hearing on Monday, January 9, 2017 in the Council Chambers of City Hall on the proposal to amend the 2016-2017 Grace A. Dow Memorial Library budget to increase revenues by \$166,000 and increase expenditures by \$166,000 to fund the restoration of the fascia on the library; now therefore

RESOLVED, that the 2016-2017 Grace A. Dow Memorial Library budget is hereby amended to increase revenues by \$166,000 and increase expenditures by \$166,000 to recognize grants related to the restoration of the fascia on the library. (Motion ADOPTED.)

GRACE A. DOW MEMORIAL LIBRARY FASCIA RESTORATION

The following resolution was offered by Councilman Brown Wilhelm and seconded by Councilman Arnosky:

WHEREAS, sealed proposals have been advertised and received in accord with Article II of Chapter 2 of the Midland Code of Ordinances for the restoration of the building fascia at the Grace A. Dow Memorial Library; and

WHEREAS, funds are available in the 2016-2017 Grace A. Dow Memorial Library budget; now therefore

RESOLVED, that the Mayor and City Clerk are hereby authorized to execute an agreement with Three Rivers Corporation for the restoration of the fascia on the Grace A. Dow Memorial Library in an amount not to exceed \$396,000 upon document approval by the City Attorney; and

RESOLVED FURTHER, that the City Manager has the authority to approve change orders modifying or altering this contract in an aggregate amount not to exceed \$20,000 in total. (Motion ADOPTED.)

PUBLIC COMMENTS

No public comments were made.

CURRIE MUNICIPAL GOLF COURSE – GIFTS FROM MARY C. CURRIE FOUNDATION

The following resolution was offered by Councilman Brown Wilhelm and seconded by Councilman Arnosky:

WHEREAS, the Mary C. Currie Foundation has given the Currie Municipal Golf Course gifts in the amount of \$10,000 for tree removal and reforestation, and \$7,000 for carpet replacement at the West Club House; now therefore

RESOLVED, that the City Council of the City of Midland graciously accepts these gifts of \$10,000 and \$7,000 from the Mary C. Currie Foundation. (Motion ADOPTED.)

PROPOSED 2016-17 CURRIE MUNICIPAL GOLF COURSE FUND BUDGET AMENDMENT

The following resolution was offered by Councilman Brown Wilhelm and seconded by Councilman Adams:

WHEREAS, the Mary C. Currie Foundation has given the Currie Municipal Golf Course gifts in the amount of \$10,000 for tree removal and reforestation, and \$7,000 for carpet replacement at the West Club House; and

WHEREAS, the 2016-17 Currie Municipal Golf Course Fund budget needs to be amended to include this additional revenue and expenditures; now therefore

RESOLVED, that in accord with Section 11.6 of the Charter of the City of Midland, a public hearing shall be conducted at 7:00 p.m. Monday, January 23, 2017 in the Council Chambers of City Hall on the proposal to amend the 2016-17 Currie Municipal Golf Course Fund budget to increase revenues and expenses by \$17,000 to provide authorization to spend the gifts from the Mary C. Currie Foundation for the purposes described herein; and

RESOLVED FURTHER, that the City Clerk is hereby directed to give notice as provided in Section 5.11 of the Charter of the City of Midland. (Motion ADOPTED.)

CITY & COUNTY OF MIDLAND JOINT BUILDING AUTHORITY RE-ELECTIONS

The following resolution was offered by Councilman Brown Wilhelm and seconded by Councilman Adams:

WHEREAS, the Articles of Incorporation of the City and County of Midland Joint Building Authority provide that the Authority shall be directed and governed by a Commission of the Authority consisting of three members, one to be elected by the Midland City Council, one to be elected by the Midland County Board of Commissioners, and one to be elected by the joint action of the City Council and the County Board of Commissioners; and

WHEREAS, the four-year term of David A. Keenan to represent the City of Midland on said Commission is due to expire on January 24, 2017; and

WHEREAS, the four-year term of Jenee Velasquez as the jointly elected member of said Commission is due to expire on February 7, 2017; now therefore

RESOLVED, that David A. Keenan is hereby re-elected to the office of Commissioner of the City and County of Midland Joint Building Authority for a term beginning January 25, 2017 and expiring on January 24, 2021; and

RESOLVED FURTHER, that Jenee Velasquez is hereby re-elected to the office of Commissioner of the City and County of Midland Joint Building Authority for a term beginning February 8, 2017, and expiring on February 7, 2021. (Motion ADOPTED.)

CITY & COUNTY OF MIDLAND JOINT BUILDING AUTHORITY AUDIT

The following resolution was offered by Councilman Brown Wilhelm and seconded by Councilman Adams:

UNAPPROVED

RESOLVED, that the audit of the City and County of Midland Joint Building Authority for the year ended June 30, 2016 is hereby acknowledged as being received by the Midland City Council on this date, and is ordered placed on file for public examination. (Motion ADOPTED.)

SAGINAW-MIDLAND MUNICIPAL WATER SUPPLY CORP 2015-16 FINANCIAL STATEMENTS AND AUDITORS' REPORT

The following resolution was offered by Councilman Brown Wilhelm and seconded by Councilman Adams:

RESOLVED, that the Saginaw-Midland Municipal Water Supply Corporation Annual Financial Statements and Auditors' Report dated June 30, 2016, with comparative figures for June 30, 2015, be received and filed in the office of the City Clerk. (Motion ADOPTED.)

MPS REQUEST TO CHARGE ADMISSION TO EVENTS HELD IN CITY FACILITIES

The following resolution was offered by Councilman Brown Wilhelm and seconded by Councilman Adams:

WHEREAS, Midland Public Schools has expressed interest in charging for athletic events held in City of Midland parks and facilities during 2017; and

WHEREAS, the Parks and Recreation staff has reviewed and supports the request for Midland Public Schools to charge for athletic events in City of Midland parks and facilities; now therefore RESOLVED, that the City Council hereby approves Midland Public Schools' request to charge for athletic events in City of Midland parks and facilities during 2017. (Motion ADOPTED.)

MIDLAND COUNTY CHILD PROTECTION COUNCIL SAFE & SOUND CHILD ADVOCACY CENTER – NONPROFIT STATUS

The following resolution was offered by Councilman Brown Wilhelm and seconded by Councilman Adams:

RESOLVED, that the request from Midland County Child Protection Council Safe and Sound Child Advocacy Center of the City of Midland, county of Midland, asking that they be recognized as a nonprofit organization operating in the community for the purpose of obtaining a charitable gaming license, be considered for approval. (Motion ADOPTED.)

2017 CITY COUNCIL PLANNING RETREAT STAFF REPORT

City Manager Jon Lynch presented a report on the outcomes of the 2017 City Council Planning Retreat. The following resolution was then offered by Councilman Adams and seconded by Councilman Arnosky:

WHEREAS, on January 7, 2017 the City Council conducted a planning retreat for the purpose of discussing current and future financial concerns; and

WHEREAS, at the conclusion of that session Council expressed their expectations regarding the basic approach to be taken in developing the Fiscal Year 2017-2018 budget; and

WHEREAS, during their regular meeting of January 9th the City Council reviewed and affirmed those expectations embodied in a report of January 9, 2017 titled: *City Council Budget Objectives for FY 17-18*; now therefore

RESOLVED, that the report *City Council Budget Objectives for FY 17-18* is hereby received. (Motion ADOPTED.)

DIESEL FUEL PURCHASE

The following resolution was offered by Councilman Brown Wilhelm and seconded by Councilman Adams:

UNAPPROVED

WHEREAS, City Council adopted a resolution on December 17, 2007 that allows for the purchase of full tankers of unleaded gasoline and diesel fuel exceeding \$20,000, and seek approval for the purchase at the next City Council meeting; and
WHEREAS, City Council reviewed the process on December 21, 2009 and decided to continue as it still provides a significant cost savings to the City; and
WHEREAS, the volatility of the fuel market does not allow for staff to follow the usual sealed bid process for purchases exceeding \$20,000; and
WHEREAS, staff instead uses a competitive bid process whereby fuel vendors fax in prices that are valid for a particular day with the bid awarded to the lowest priced vendor; now therefore
RESOLVED, that the requirements for sealed proposals for the purchase of fuel are waived due to the volatility of the fuel market; and
RESOLVED FURTHER, that the purchase of 13,101 gallons of Winter Blend diesel fuel from Paxson Oil of Saginaw, Michigan for \$22,045.05 executed by the Senior Procurement Accountant on December 13, 2016, is hereby approved. (Motion ADOPTED.)

UNLEADED FUEL PURCHASE

The following resolution was offered by Councilman Brown Wilhelm and seconded by Councilman Adams:

WHEREAS, City Council adopted a resolution on December 17, 2007 that allows for the purchase of full tankers of unleaded gasoline and diesel fuel exceeding \$20,000, and seek approval for the purchase at the next City Council meeting; and
WHEREAS, City Council reviewed the process on December 21, 2009 and decided to continue as it still provides a significant cost savings to the City; and
WHEREAS, the volatility of the fuel market does not allow for staff to follow the usual sealed bid process for purchases exceeding \$20,000; and
WHEREAS, staff instead uses a competitive bid process whereby fuel vendors fax in prices that are valid for a particular day with the bid awarded to the lowest priced vendor; now therefore
RESOLVED, that the requirements for sealed proposals for the purchase of fuel are waived due to the volatility of the fuel market; and
RESOLVED FURTHER, that the purchase of 13,398 gallons of E10 ethanol blend unleaded fuel from Super Flite Oil of Saginaw, Michigan for \$22,755.16 executed by the Senior Procurement Accountant on December 28, 2016, is hereby approved. (Motion ADOPTED.)

PO INCREASE FOR COVER SAND AT LANDFILL

The following resolution was offered by Councilman Brown Wilhelm and seconded by Councilman Adams:

WHEREAS, sealed bids for Sand & Black Dirt, Bid No. 3745 were received on December 15, 2015, for the 12-month period beginning March 1, 2016, and ending February 28, 2017; and
WHEREAS, the low bid from Anthony Gushow & Sons, Inc. was accepted to provide delivered sand; and
WHEREAS, purchases of sand at the Landfill are expected to surpass the administratively approved purchase order limit of \$20,000.00 for maintenance work and refuse daily cover usage anticipated through this fiscal year; and
WHEREAS, an increase of \$35,000.00 to the existing purchase order is necessary to complete purchases of cover sand; and
WHEREAS, funding has been made available for this purpose in the fiscal year 2016/17 Landfill Enterprise Fund account #517.8110.76.026 – Operating Supplies Daily Cover; now therefore
RESOLVED, that an increase of \$35,000.00 to an existing purchase order of \$20,000.00 to Anthony Gushow & Sons, Inc., is hereby authorized, bringing the total purchase order to \$55,000.00 for cover sand purchases, based on previously bid unit prices; and

UNAPPROVED

RESOLVED FURTHER, that the City Manager is hereby authorized to approve change orders in an aggregate amount not to exceed \$5,000.00. (Motion ADOPTED.)

Being no further business the meeting adjourned at 7:25 p.m.

Selina Tisdale, City Clerk

Backup material for agenda item:

2. Amendment to the 2016-17 Currie Municipal Golf Course Fund budget to increase revenues and expenses by \$17,000 for tree removal and reforestation, and replacing the carpeting in the West Club House (also see material sent in the January 9 agenda packet). KEENAN

SUMMARY REPORT TO MANAGER
For City Council Meeting of January 23, 2017

SUBJECT: Amending the 2016-17 Currie Municipal Golf Course Fund budget

INITIATED BY: David A. Keenan, Assistant City Manager

RESOLUTION SUMMARY:

Resolution amends the 2016-17 Currie Municipal Golf Course Fund budget to increase revenues and expenses by \$17,000 for tree removal and reforestation, and replacing the carpet in the West Club House.

ITEMS ATTACHED:

1. Letter of Transmittal
2. Resolution

CITY COUNCIL ACTION:

3/5 affirmative vote required for adoption

David A. Keenan
Assistant City Manager



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TO: Jon Lynch, City Manager

FM: David A. Keenan, Assistant City Manager

DT: January 18, 2017

RE: Amending the 2016-17 Golf Course Fund Budget

As a result of the emerald ash borer arriving in our community a few years back, the Currie Municipal Golf Course (the Course) lost many trees throughout the property. The placement of some of these dead trees is relevant to not only the aesthetics of the Course, but also to the playability of some of the holes, and the safety of the golfers.

In December of 2015 the Mary C. Currie Foundation had generously given the Course \$10,000 to help facilitate the tree removal and the reforestation process. Staff was able to make significant progress, but the project is ongoing. On December 27, 2016 the City received an additional \$10,000 from the Mary C. Currie Foundation to make more progress towards tree removal and reforestation.

The West Club House was completed about 15 years ago and continues to use the original carpet. Due to the high concentration of traffic in the common areas, the carpet is subjected to quite a bit of wear and tear. Staff has determined it is time to replace the carpet. To help facilitate that replacement, the Mary C. Currie Foundation has given the City a second gift of \$7,000 to help pay for the carpet replacement in the West Club House.

In order to spend these two gifts, it is necessary to amend the 2016-17 Currie Municipal Golf Course Fund budget. A public hearing was scheduled at the January 9, 2017, City Council meeting to be held on January 23, 2017. After holding the public hearing, the provided resolution would amend the 2016/17 Currie Municipal Golf Course Fund budget by increasing both revenues and expenses by \$17,000 to recognize the gifts from the Mary C. Currie Foundation, and provide budgetary authorization to spend those funds on tree removal and reforestation, and carpet replacement.



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BY COUNCILMAN

WHEREAS, in accord with Sections 5.11, 11.4, and 11.6 of the Charter of the City of Midland, and after having given proper legal notice, and having conducted a public hearing on Monday, January 23, 2017, on the proposal to amend the 2016-17 Currie Municipal Golf Course Fund budget to increase revenue by \$17,000 to recognize gifts from the Mary C. Currie Foundation, and increase expenses by the same to provide budgetary authorization to spend the funds on reforestation and carpet replacement; now therefore

RESOLVED, that the 2016-17 Currie Municipal Golf Course Fund budget shall be amended as discussed in the aforementioned paragraph.

YEAS:

NAYS:

ABSENT:

I, Selina Tisdale, City Clerk, City of Midland, Counties of Bay and Midland, State of Michigan, do hereby certify that the foregoing is a true and correct copy of a resolution adopted by a yeas vote of all of the Councilmen present at a regular meeting of the City Council held Monday, January 23, 2017.

Selina Tisdale, City Clerk

1-9-17
a. Approved
b. Set PH for
1-23-17

③

SUMMARY REPORT TO MANAGER
For City Council Meeting of January 9, 2017

SUBJECT: Accepting gifts from the Mary C. Currie Foundation, and setting a public hearing to amend the 2016-17 Currie Municipal Golf Course Fund budget to increase revenues and expenses to provide authorization to spend these donated funds.

INITIATED BY: David A. Keenan, Assistant City Manager

RESOLUTION SUMMARY:

Resolutions

- a. Accept gifts of \$10,000 and \$7,000 from the Mary C. Currie Foundation, and
- b. Set a public hearing for Monday, January 23, 2017, in the Council Chambers of City Hall on the proposal to amend the 2016-17 Currie Municipal Golf Course Fund budget to increase revenues and expenses by \$17,000 for tree removal and reforestation, and replacing the carpeting in the West Club House.

ITEMS ATTACHED:

1. Letter of Transmittal
2. Resolutions

CITY COUNCIL ACTION:

3/5 affirmative vote required for adoption



David A. Keenan
Assistant City Manager



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TO: Jon Lynch, City Manager

FM: David A. Keenan, Assistant City Manager

DT: January 4, 2017

RE: Amending the 2016-17 Golf Course Fund Budget

As a result of the emerald ash borer arriving in our community a few years back, the Currie Municipal Golf Course (the Course) lost many trees throughout the property. The placement of some of these dead trees is relevant to not only the aesthetics of the Course, but also to the playability of some of the holes, and the safety of the golfers.

In December of 2015 the Mary C. Currie Foundation had generously given the Course \$10,000 to help facilitate the tree removal and the reforestation process. Staff was able to make significant progress, but the project is ongoing. On December 27, 2016 the City received an additional \$10,000 from the Mary C. Currie Foundation to make more progress towards tree removal and reforestation.

The West Club House was completed about 15 years ago and continues to use the original carpet. Due to the high concentration of traffic in the common areas, the carpet is subjected to quite a bit of wear and tear. Staff has determined it is time to replace the carpet. To help facilitate that replacement, the Mary C. Currie Foundation has given the City a second gift of \$7,000 to help pay for the carpet replacement in the West Club House.

In order to spend these two gifts, it is necessary to amend the 2016-17 Currie Municipal Golf Course Fund budget. Amending a budget requires a public hearing and Council involvement at two separate meetings: the first meeting to set the date for a public hearing, and the second to hold a public hearing. In addition to formally accepting these gifts from the Mary C. Currie Foundation, the attached resolutions for City Council's consideration would schedule January 23, 2017 as the date for holding a public hearing. The gifts will be discussed publicly during the staff presentation for the public hearing.



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BY COUNCILMAN

WHEREAS, the Mary C. Currie Foundation has given the Currie Municipal Golf Course gifts in the amount of \$10,000 for tree removal and reforestation, and \$7,000 for carpet replacement at the West Club House; now therefore

RESOLVED, that the City Council of the City of Midland graciously accepts these gifts of \$10,000 and \$7,000 from the Mary C. Currie Foundation.

YEAS:

NAYS:

ABSENT:

I, Selina Tisdale, City Clerk, City of Midland, Counties of Bay and Midland, State of Michigan, do hereby certify that the foregoing is a true and correct copy of a resolution adopted by a yeas vote of all of the Councilmen present at a regular meeting of the City Council held Monday, January 9, 2017.

Selina Tisdale, City Clerk



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BY COUNCILMAN BROWN WILHELM

WHEREAS, the Mary C. Currie Foundation has given the Currie Municipal Golf Course gifts in the amount of \$10,000 for tree removal and reforestation, and \$7,000 for carpet replacement at the West Club House; and

WHEREAS, the 2016-17 Currie Municipal Golf Course Fund budget needs to be amended to include this additional revenue and expenditures; now therefore

RESOLVED, that in accord with Section 11.6 of the Charter of the City of Midland, a public hearing shall be conducted at 7:00 p.m. Monday, January 23, 2017 in the Council Chambers of City Hall on the proposal to amend the 2016-17 Currie Municipal Golf Course Fund budget to increase revenues and expenses by \$17,000 to provide authorization to spend the gifts from the Mary C. Currie Foundation for the purposes described herein; and

RESOLVED FURTHER, that the City Clerk is hereby directed to give notice as provided in Section 5.11 of the Charter of the City of Midland.

YEAS: Adams, Arnosky, Brown Wilhelm, Donker

NAYS: None

ABSENT: Wazbinski

I, Selina Tisdale, City Clerk, City of Midland, Counties of Bay and Midland, State of Michigan, do hereby certify that the foregoing is a true and correct copy of a resolution adopted by a 4/0 yeas vote of all of the Councilmen present at a regular meeting of the City Council held Monday, January 9, 2017.



Selina Tisdale, City Clerk

Backup material for agenda item:

3. Receiving and filing the Comprehensive Annual Financial Report and Single Audit Report for the year ended June 30, 2016. KEENAN

SUMMARY REPORT TO MANAGER
For City Council Meeting of January 23, 2017

SUBJECT: Receiving and filing the Comprehensive Annual Financial Report and Single Audit Report for the year ended June 30, 2016.

INITIATED BY: David A. Keenan, Assistant City Manager

RESOLUTION SUMMARY:

This resolution shall receive and file for public examination the Comprehensive Annual Financial Report and the Single Audit Report for the City of Midland for the year ended June 30, 2016.

ITEMS ATTACHED:

1. Letter of Transmittal
2. Resolution
3. Comprehensive Annual Financial Report
4. Auditor communication letter to City Council
5. Single Audit Report

CITY COUNCIL ACTION:

3/5 affirmative vote required for adoption

David A. Keenan, Assistant City Manager



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TO: Jon Lynch, City Manager

FM: David A. Keenan, Assistant City Manager

DT: January 18, 2017

RE: Presentation of 2015-16 Financial Audit

The City is required by its Charter and the State of Michigan to have an annual financial audit, performed by independent auditors. In addition, because the City receives federal financial assistance, it is required to have a compliance audit, also known as a single audit. The City's financial and compliance audits for the year ended June 30, 2016 were performed by Yeo & Yeo PC, CPAs. David Youngstrom, Principal, from Yeo & Yeo PC, CPAs will be in attendance at the January 23, 2017, Council meeting to present the City's annual audits.

A copy of the *Comprehensive Annual Financial Report* and *Single Audit Report* are provided. The auditors will use a series of graphs for their presentation.



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BY COUNCILMAN

RESOLVED, that the Comprehensive Annual Financial Report and the Single Audit Report of the City of Midland for the year ended June 30, 2016 are hereby received and ordered filed for public examination.

YEAS:

NAYS:

ABSENT:

I, Selina Tisdale, City Clerk, City of Midland, Counties of Bay and Midland, State of Michigan, do hereby certify that the foregoing is a true and correct copy of a resolution adopted by a yea vote of all the Councilmen present at a regular meeting of the City Council held Monday, January 23, 2017.

Selina Tisdale, City Clerk



Comprehensive Annual Financial Report

Fiscal Year Ended
June 30, 2016

City of Midland, Michigan
Comprehensive Annual Financial Report
June 30, 2016

Prepared by the Finance Department

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City Hall ♦ 333 West Ellsworth Street ♦ Midland, Michigan 48640-5132 ♦ 989.837.3300 ♦ 989.835.2717 Fax ♦ www.cityofmidlandmi.gov

December 20, 2016

Honorable Mayor, City Council Members, and
Citizens of the City of Midland:

The Comprehensive Annual Financial Report (CAFR) of the City of Midland, Michigan (the “City”) as of and for the year ended June 30, 2016 is hereby submitted. As required by City Charter and state laws, the basic financial statements as identified in the table of contents were audited by Yeo & Yeo, Certified Public Accountants. Their unmodified opinion is located at the front of the financial section of this report. An unmodified opinion is the best opinion that an organization can receive on its financial statements. It indicates that the auditor’s examination has disclosed no conditions that cause them to believe that the financial statements are not fairly presented in all material respects.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with City management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner that fairly presents the financial position and results of operations of the governmental activities, business-type activities, and various funds and component units of the City of Midland. All disclosures necessary to enable the reader to gain an understanding of the City activities have been included.

Accounting principles generally accepted in the United States of America require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a managements’ discussion and analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Midland’s MD&A can be found immediately following the report of the independent auditor.

In addition, during the year an audit was performed in accordance with the requirements of the *Single Audit Act Amendments of 1996 (P.L. 104-156)*. The auditor’s reports related to the single audit are issued under separate cover.

PROFILE OF THE CITY

The City of Midland was incorporated in 1887 and is located near the center of the eastern portion of Michigan’s Lower Peninsula, approximately 120 miles northwest of Detroit. It encompasses approximately 36 square miles of land area and is home to a population of 42,200.

The City Charter calls for a council-manager form of government. The governing body consists of five council members, who are elected on a non-partisan basis, one from each of the City’s five wards who in turn choose one of their five to serve as mayor. The City Manager is appointed independently by the City Council and is responsible for carrying out the policies and ordinances of the City Council, for

overseeing the day-to-day operations of the City, and for appointing heads of the various departments and all other City employees. An organization chart is included to better illustrate the City's governmental structure.

The City provides a full range of services including police and fire protection, community planning and zoning, building inspections, code enforcement, library, sanitation, water and wastewater treatment, construction and maintenance of highways, streets and infrastructure, recreation programs, parks, public transportation and senior housing facilities.

The City reports three blended component units as special revenue funds within the governmental type funds: the Downtown Development Authority Fund, the Center City Authority Fund, and the Smart Zone Fund.

Midland is recognized as a safe and vibrant community that offers its residents many economic, cultural, recreation, and educational amenities. Here are some examples of recent recognition the City has received.

- **J. Kermit Campbell Partnership Award**
Midland Area Chamber of Commerce recognized the City as an organization that shares a passion for the value of education, and that inspires others to be involved in business/education partnerships.
- **Michigan Airport of the Year**
Michigan Department of Transportation recognized the Barstow Airport for promoting general aviation with the development of an observation and education gateway project.

- **100 Most Genius Places in America**
Recognized by Time magazine as the 20th most genius place in America based upon the number of patents issued per capita.
- **100 Best Places to Live**
Livability.com rated Midland as number 90 in the best places to live in the U.S. The study ranked more than 2,000 cities with populations between 20,000 and 350,000 considering attributes such as economy, education, health care, amenities, social and civic capital, and infrastructure.
- **Best Place to Raise a Family**
Wallethacks.com named the City as one of the best places to raise a family in the U.S. Considerations included schools, safety, affordability, and sense of community.

ECONOMIC CONDITION AND OUTLOOK

The City is empowered to levy a property tax on both real and personal properties located within its boundaries. For the year 2016 fiscal year end, its tax base is 42% residential and 58% commercial, industrial and utility. The three largest taxpayers, The Dow Chemical Company (Dow), Dow Corning, and Midland Cogeneration Venture account for 32% of the City's total taxable value. The City's tax roll will change significantly in the 2017 fiscal year as approximately \$260 million of eligible manufacturing personal property is exempted under personal property tax reform signed by the Governor in December 2014. The property tax revenue associated with the exempted property will be reimbursed to the City, in part, by the State's Local Community Stabilization Authority. In December of 2015, Dow, who is Midland's largest employer and taxpayer, made

two announcements that could significantly impact the City's economic outlook. The first announcement was that Dow, a 50% owner of Dow Corning, would acquire the other half of Dow Corning, making it a 100% owner of Dow Corning. This combination resulted in hundreds of jobs leaving the Midland area. The second announcement was the merger with Dupont, which is expected to happen in early calendar year 2017. The extent of local impact of these business combinations will not be known for some time. However, Dow is constructing a new corporate headquarters on its Midland campus and has stated that it will continue to maintain a very strong Midland presence.

The City's unemployment rate at year-end was 3.4%, compared to the state unemployment rate of 4.9%, and the national unemployment rate of 5.1%.

LONG-TERM FINANCIAL PLANNING

The City's residential taxable value returned to the pre-2008 recession value, increasing another 1% for the fiscal year. Commercial investment has been strong, increasing 7.5%.

Investment earnings on cash and cash equivalents was still very low at .2% compared to 5.25% in 2008. Through long-term financial and resource planning, the City continues to look for creative and more affordable ways of service delivery. Since 2008 the City has eliminated 46 full-time positions, mostly through attrition and without reducing uniformed public safety positions. Also, employee groups have participated in cost reductions through pay freezes and benefit reductions, including defined benefit pension reductions, in order to try to make the cost of providing services more affordable.

Even still, in order to balance annual budgets the City's millage rate has trended upwards as shown below (in mills):

<u>2009/10</u>	<u>2010/11</u>	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	<u>2015/16</u>
13.94	13.94	14.79	14.79	15.08	15.04	15.00

The millage rate for 2016/17 was kept at 15.00 mills. During this time, all core services have been maintained, and all debt obligations and actuarial determined annual funding requirements for the City's two defined benefit pension plans, and one defined benefit post-employment health care plan have been funded at 100% or better. The City has maintained its credit ratings of AA with Standard and Poor's, and Aa2 with Moody's, and has increased the General Fund fund balance goal to \$5.6 million.

The City has updated its long-range capital plan which will help serve as a planning tool for the City's infrastructure.

MAJOR INITIATIVES

For the next fiscal year ending June 30, 2017, City Council provided the following directives, for which the City Budget was created to support:

- *Maintain public services, with an emphasis on public safety, at the highest level possible under current economic and budget conditions.*
- *Increase the millage rate supporting general operations by no more than ½ of a mill.*
- *The unreserved fund balance of the General Fund shall be increased to \$5.6 million.*
- *Pursue renewal of the county-wide road millage.*

BUDGET CONTROLS

The annual budget serves as the foundation for the City's financial planning and control. By the second Monday of April of each year, the City Manager presents a proposed budget to the City Council for review. The Council holds public hearings and a final budget must be prepared and adopted no later than the fourth Monday in May. The Council approves appropriations on the functional basis, which is the legal level of control. Department heads may transfer funds within their function at their discretion up to \$6,000 before requiring City Manager approval. The City Manager can approve all budget transfers except those between different functions, and any transfer from a reserve for contingency account in excess of \$25,000, which require City Council approval.

All appropriations lapse at year-end except for those specifically approved to be carried forward as part of the year-end encumbrance process.

City Council adopts budgets for the General Fund and all Special Revenue Funds as required by Michigan statute. In addition, Council also adopts budgets for the debt service fund, and all Enterprise and Internal Service Funds, although not required by the State of Michigan.

CERTIFICATE OF ACHIEVEMENT

For the 27th consecutive year, the Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Midland for its comprehensive annual financial report for the fiscal year ended June 30, 2015. In order to be awarded a Certificate of Achievement, a government must

publish an easily readable and efficiently organized comprehensive annual financial report, which satisfies both Generally Accepted Accounting Principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

The preparation of this report was made possible by the dedicated service of the entire staff of the Finance Department. Each member of the Department has our sincere appreciation for the contributions made in the preparation of this report.

In closing, the preparation of this document and the accomplishments reported therein would not have been possible without the leadership and support of the Midland City Council.

Respectfully submitted,



Jon Lynch
City Manager



David A. Keenan
Assistant City Manager



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Midland
Michigan**

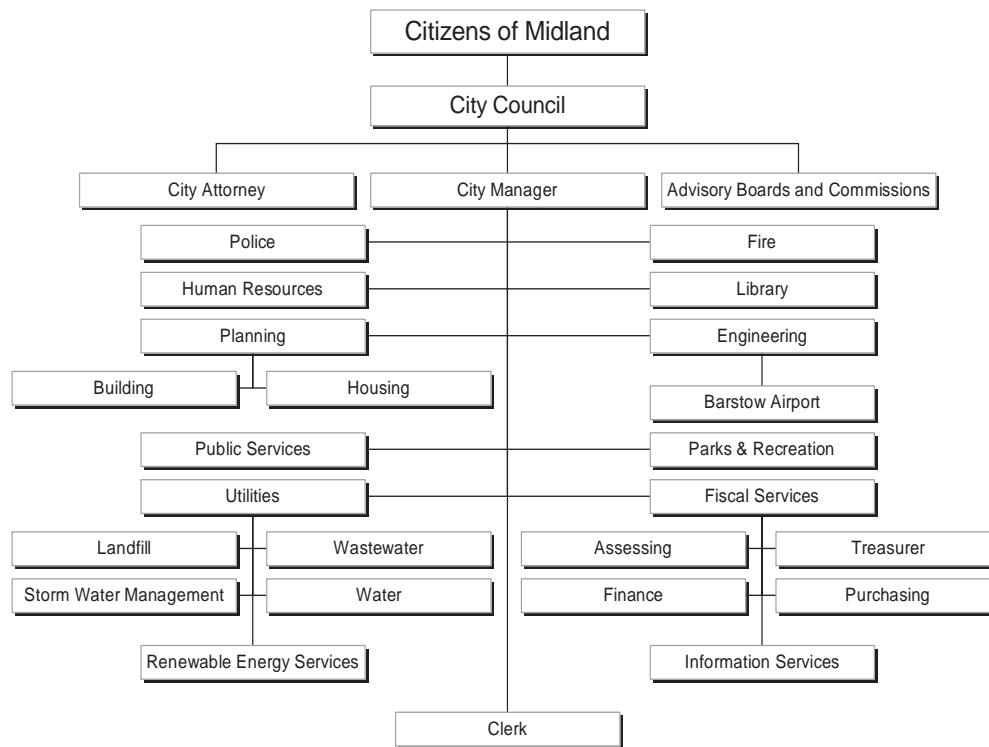
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

A handwritten signature in black ink, reading "Jeffrey R. Enos". The signature is written in a cursive, flowing style.

Executive Director/CEO

City of Midland, Michigan Organizational Chart



City of Midland, Michigan
List of Principal Officials
June 30, 2016

City Council

Ward I	Thomas Adams
Ward II - Mayor	Maureen Donker
Ward III	Steve Arnosky
Ward IV	Diane Brown Wilhelm
Ward V	Marty Wazbinski

Administrative Staff

City Manager	Jon J. Lynch
City Attorney	James O. Branson, III
Assistant City Manager	David A. Keenan
Director of Human Resources and Labor Relations	Carol A. Stone
City Assessor	Reid A. Duford
City Clerk / Director of Community Affairs	Selina M. Tisdale
City Controller	Margaret A. Maday
City Engineer	Brian P. McManus
City Treasurer	Dana C. Strayer
Chief Building & Electrical Inspector	John E. Wegner
Fire Chief	Chris A. Coughlin
Information Services Manager	Tadd H. Underhill
Library Director	Melissa J. Barnard
Police Chief	Clifford A. Block
Public Services Director	Karen A. Murphy
Utilities Director	Noel D. Bush

Independent Auditors' Report

Management and City Council
City of Midland, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Midland, Michigan as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise of the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Midland, Michigan as of June 30, 2016 and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters:***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Michigan Employee Retirement System Schedules, Police and Fire Retirement System Schedules, Other Post Employment Benefit Schedules, and budgetary comparison information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Midland, Michigan's basic financial statements. The Introductory Section, Other Supplementary Information, as identified in the table of contents, and Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information, as identified in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The other supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information, as identified in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2016 on our consideration of City of Midland, Michigan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Midland, Michigan's internal control over financial reporting and compliance.

Yeo & Yeo, P.C.

December 20, 2016
Saginaw, Michigan

City of Midland, Michigan
Management's Discussion and Analysis
June 30, 2016

This section of the City of Midland's annual financial report presents our discussion and analysis of the City's financial performance during the fiscal year ended June 30, 2016. Please read it in conjunction with the transmittal letter, which was provided earlier in this report, and the financial statements which begin on page 3 -1 of this report.

FINANCIAL HIGHLIGHTS

- The City's combined total net position increased by \$16.3 million. Governmental activities increased by \$9.0 million, or 13.5 percent and business-type activities increased by \$7.3 million or 5.8 percent. The significant increase to governmental activities was primarily due to large street projects that were funded substantially with State funds. Similarly, the business-type increase was due to \$4.0 million of foundation support to fund renovation and asbestos remediation at one of the City's two senior housing apartment complexes.
- Total assets of governmental activities increased by \$12.7 million mostly due to capital asset activity. Deferred outflows increased by \$11.4 million due to deferred pension outflows, which will be amortized over future periods. Total liabilities increased \$14.7 million as a result of accruing additional pension liability to recognize pension costs on the accrual basis. While the net position of governmental activities increased by \$9 million, the increase was in capital and restricted assets. The unrestricted deficit grew \$4.2 million mainly due to the recognition of future pension liabilities.
- The General Fund revenue increased by \$233,186 or 6/10 of 1 percent. Property tax revenue decreased \$93,217 due to a reduction in the millage rate from 15.04 mills from last year to 15.00 mills for the current year, as well as the elimination of certain eligible personal property as provided under the new State

of Michigan personal property tax reform. The tax reform provides that the State will reimburse the tax for this eliminated personal property. This shows up as an \$864,520 increase to Other State Grants. Federal revenue decreased by \$367,144 due to the timing of a work being performed on a multi-year project to turn an abandoned factory into green space. Local contributions decreased by \$336,302 simply due to the project selection and the timing of funding as provided by the local philanthropic community.

- General Fund expenditures increased by \$2.3 million, or 6.6 percent. Labor costs increased by 6.0 percent driven largely by increases in defined benefit pension costs (11.29 percent) and health care costs (6.32 percent). Capital outlay was nearly \$500,000 (or 31 percent) higher than in the prior year.
- The Midland Community approved a four-year, additional 1 mill county-wide millage to fund street improvements. This provided an additional \$2.2 million in tax revenue to the Major Street Fund for the current year which will help the City's long-term capital maintenance plans.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements.

City of Midland, Michigan
Management's Discussion and Analysis
June 30, 2016

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private sector companies. The *statement of net position* includes all of the City's assets and liabilities, with the difference between the two reported as net position. The *statement of activities* reports how the City's net position has changed and it includes all of the current year's revenue and expenses, regardless of when cash is received or paid.

The City's government-wide statements are divided into two categories:

Governmental Activities – Most of the City's basic services are included here, such as police, fire, public works, sanitation, parks and recreation, community development, library, transportation, and general administration. Property taxes, state shared revenue, charges for services, and grants provide most of the funding.

Business-type Activities – The City charges fees to customers to recover all or a significant portion of certain services it provides. These business-type activities include water distribution, wastewater collection, landfill, golf course, civic arena, senior citizen housing, and parking.

The City of Midland as a Whole

The City's overall net position improved by \$16.3 million from a year ago, increasing from \$192.5 million to \$208.8 million. Governmental activities improved by \$9.0 million while business-type activities improved by \$7.3 million. The unrestricted net position, which is the part of total net position available to finance day-to-day operations and future growth, was a negative \$20 million, compared to a negative \$17.2 million for the prior year. This increase in the deficit balance was mainly due to the recognition of future pension obligations.

These are long-term obligations that will continue to be funded on a yearly basis.

- Governmental activities expenses increased by \$8.6 million.
- Personnel costs increased by \$1.5 million, or 6.0 percent driven mostly by increases in pension and health insurance costs.
- Also, two of the City's internal service funds, the Property and Liability Insurance Fund and the Health Insurance Fund, experienced unfavorable claims for the fiscal year. Last year each fund generated a significant positive change to net position, while this year just the opposite was true. Overall, the change in net position for internal services funds went from a \$1.1 million increase last year to a \$1.4 million decrease this year. The governmental activities allocation was a \$2.2 million net increase to expenses. Fortunately, the negative claims trend does seem to have subsided so 2016/17 appears to be returning to the prior state.
- The GASB 68 adjustments to convert the recognition of pension costs to the accrual basis, and adjust the net pension liability to actual added an additional \$2.0 million of expense to governmental activities. Management and staff continue to implement plans to try to minimize benefit cost increases as much as possible, as well as making the net pension liability more manageable.

Business-type revenue increased \$5.4 million, mainly from contributions to one of the senior housing facilities to fund a renovation and asbestos remediation project. In addition, the Landfill received \$700,000 of contaminated soils in the current year. Business-type expenses increased by \$1.5 million for many of the same reasons discussed under governmental activities: personnel costs, internal service costs, and GASB 68 adjustments.

City of Midland, Michigan

Management's Discussion and Analysis

June 30, 2016

In a condensed format, the table below shows the net position (in millions of dollars) as of June 30, 2016 and 2015:

City of Midland Net Position (in millions of dollars)						
	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Assets						
Current	\$ 439.0	\$ 40.3	\$ 34.5	\$ 31.8	\$ 473.5	\$ 72.1
Noncurrent						
Restricted and other	0.8	1.0	17.0	15.7	17.8	16.7
Capital, net	107.6	98.3	117.5	115.3	225.1	213.6
Total assets	547.4	139.6	169.0	162.8	716.4	302.4
Deferred Outflows	15.9	4.5	4.5	1.6	20.4	6.1
Liabilities						
Current	3.2	2.8	2.1	3.4	5.3	6.2
Noncurrent	89.2	74.8	37.9	35.0	127.1	109.8
Total liabilities	92.4	77.6	40.0	38.4	132.4	116.0
Deferred Inflows	0.3	-	0.2	-	0.5	-
Net Position						
Net investment in capital assets	102.8	93.4	107.0	103.4	209.8	196.8
Restricted	16.7	12.9	2.3	-	19.0	12.9
Unrestricted	(44.0)	(39.8)	24.0	22.6	(20.0)	(17.2)
Total net position	\$ 75.5	\$ 66.5	\$ 133.3	\$ 126.0	\$ 208.8	\$ 192.5

In a condensed format, the table below shows the change in net position (in millions of dollars) as of June 30, 2016 and 2015:

City of Midland Change in Net Position (in millions of dollars)						
	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenue						
Charges for services	\$ 3.4	\$ 3.3	\$ 26.9	\$ 25.9	\$ 30.3	\$ 29.2
Operating grants and contributions	7.9	6.0	-	-	7.9	6.0
Capital grants and contributions	10.4	1.6	5.7	0.5	16.1	2.1
Property taxes	39.6	37.4	-	-	39.6	37.4
Intergovernmental	3.4	3.4	-	-	3.4	3.4
Other revenue	1.3	1.1	0.9	1.6	2.2	2.7
Total revenue	66.0	52.8	33.5	28.0	99.5	80.8
Program Expenses						
General government	5.3	3.9	-	-	5.3	3.9
Public safety	19.2	16.6	-	-	19.2	16.6
Public works	10.8	8.4	-	-	10.8	8.4
Sanitation	3.3	3.2	-	-	3.3	3.2
Community development	1.2	1.1	-	-	1.2	1.1
Parks and recreation	6.6	5.2	-	-	6.6	5.2
Library / community television	5.2	4.9	-	-	5.2	4.9
Airport	0.4	0.4	-	-	0.4	0.4
Transportation	2.1	2.0	-	-	2.1	2.0
Other	1.0	0.8	-	-	1.0	0.8
Water	-	-	10.4	10.3	10.4	10.3
Wastewater	-	-	6.3	6.1	6.3	6.1
Landfill	-	-	4.0	3.6	4.0	3.6
Civic Arena	-	-	1.4	1.3	1.4	1.3
Senior housing	-	-	4.6	3.9	4.6	3.9
Golf course	-	-	1.2	1.2	1.2	1.2
Parking system	-	-	0.2	0.2	0.2	0.2
Total expenses	55.1	46.5	28.1	26.6	83.2	73.1
Change in net position before transfers	10.9	6.3	5.4	1.4	16.3	7.7
Transfers	(1.9)	(2.4)	1.9	2.4	-	-
Change in net position	9.0	3.9	7.3	3.8	16.3	7.7
Net position - beginning	66.5	62.6	126.0	122.2	192.5	184.8
Net position - ending	\$ 75.5	\$ 66.5	\$ 133.3	\$ 126.0	\$ 208.8	\$ 192.5

City of Midland, Michigan
Management's Discussion and Analysis
June 30, 2016

FUND FINANCIAL STATEMENTS

The fund financial statements begin on page 3-4 and provide more detailed information about the City's most significant funds, not the City as a whole. Funds are created to help manage money for specific purposes, as well as show accountability for certain activities, such as specific property tax millages and restricted receipts from Federal and State sources.

The City of Midland has three types of funds:

Governmental Funds – Many of the City's basic services are included in governmental funds which focus on how cash and other financial assets that can be readily converted into cash flow in and out. The funds also show the balances left at year-end that are available for spending.

The governmental funds focus on a short-term view, rather than the long-term focus of the government-wide statements, so additional information is provided after each of the governmental fund statements that explain the relationship or differences between the fund and government-wide statements.

The City maintains 15 individual governmental funds. Separate information is presented for the General and Major Street Funds, both considered to be "major" funds. Data from the other 13 governmental funds, considered to be "nonmajor" funds, are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual budget for each of its governmental funds, except for the Cemetery fund. Budgetary comparison statements have been provided herein to demonstrate compliance with those budgets.

Proprietary Funds – Proprietary funds are used to report services where the City charges a fee to the customer to recover most or all of the cost of the service rendered. Proprietary funds provide both long- and short-term financial information. There are two types of proprietary funds:

- Enterprise funds are used to report activities for services provided to customers outside of the organization. Examples include the Water Fund and Wastewater Fund.
- Internal service funds are used to report activities for services provided to other City departments. Examples include the Equipment Revolving Fund and the Information Services Fund.

The proprietary fund financial statements provide separate information for the Water, Wastewater, Sanitary Landfill, Civic Arena, and Washington Woods funds, which are considered to be major funds of the City. The remaining enterprise funds and the internal service funds are each combined into a single aggregated presentation in the proprietary fund financial statements. Individual fund data for the remaining enterprise funds and the internal service funds is provided in the form of combining statements elsewhere in this report.

Fiduciary Funds - Fiduciary funds are used to account for the resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs.

The City of Midland's Funds

The General Fund is the City's largest fund and one of two governmental funds that is considered a major fund. It pays for most of the City's governmental services. Its major sources of revenue are

City of Midland, Michigan
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property taxes and state shared revenue. The City is fortunate to be able to maintain fulltime police and fire protection, making public safety the largest service provided by the City. As such, public safety consumes 40% of the General Fund budget.

The Major Street Fund ending fund balance increased by \$2.5 million, which is about \$4.3 million better than expected. About \$250,000 is from additional revenue, mostly from County Road Millage (taxes). The balances was from underspending in most categories, the largest being capital outlay at \$3.7 million. About \$3.2 million will be encumbered into 2016-17 as open construction projects. The remaining \$1.1 million is due to budgetary savings for the year.

General Fund Budgetary Highlights

The General Fund adopted budget included using \$3.2 million of available fund balance over the City Council's target balance of \$5.1 million to prevent reductions in service delivery or an increase to the millage rate. Council amended the General Fund budget in May of 2016 to change the planned reduction to be \$3.7 million.

At year-end, actual revenue was about \$15,000 short of budget; however, actual expenditures was \$3.4 less than budget. About \$1.8 million of the expenditure savings is delayed expenditures that will be encumbered into 2016-17, while the remaining \$1.6 million, or about 3.6% of actual is due to additional budgetary savings realized during the year.

NOTES TO THE FINANCIAL STATEMENTS

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City. The combining statements referred to earlier in connection with nonmajor governmental funds, nonmajor enterprise funds and internal services funds are presented immediately following the required supplementary information.

CAPITAL ASSET AND DEBT ADMINISTRATION

At June 30, 2016, the City of Midland had \$225.1 million invested in a broad range of capital assets including land, buildings, police and fire equipment, water and sewer lines, roads, sidewalks, and other infrastructure, net of debt. Last year this total was \$213.6 million. Additional information about the City's capital assets is presented in Note 1 and Note 7 of the Notes to Financial Statements.

At June 30, 2016, the City of Midland's total bonded indebtedness was \$25.7 million, all backed by the full faith and credit of the government. Additional information about the City's indebtedness is presented in Note 1 and Note 11 of the Notes to the Financial Statements.

The City maintains an AA rating with Standard and Poor's and an Aa2 rating with Moody's for the issuance of general obligation debt. These ratings place Midland's debt in the range of investment grade bonds of high quality and upper medium quality, respectively.

CURRENT ECONOMIC EVENTS

The City's total taxable value for the current year still trails that from the 2007-08 fiscal year. In the 2016-17 fiscal year, residential values will slightly surpass the 2007-08 level, and there is existing infrastructure capacity for more development. Commercial investment remains strong as the related taxable value increased, and will

City of Midland, Michigan
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increase again in 2016-17 making that the 4th consecutive year of commercial taxable value increases, despite the constant tax appeals from the big box retail stores.

Industrial property values are approximately \$246 million less than in 2007-08. In 2016-17 industrial values will decrease again by nearly \$300 million as the State of Michigan begins to phase out eligible manufacturing personal property. Initially, the State has been able to adequately reimburse at least 100% of the lost tax revenue from the exempted personal property. It is a concern as to how long the State will reimburse at that level.

The City has continued to try to control costs through reductions to staffing levels, prudent spending, and changes to service delivery. City Council has responded favorably by allowing incremental millage increases totally 2.76 mills from 2007-08 to current. In addition, the local community has approved renewals and enhancements to street millages to help the City maintain the street infrastructure. Finally, area foundations have been very generous with their investments into the local community, financing capital improvements that will continue to benefit the City for many years into the future.

The next few years could be challenging as the results from the completed and pending Dow Chemical business combinations unfold,

as discussed in the transmittal letter. The City is optimistic that in the long-term the outcome will be positive, yielding future investment and job creation within the community. The timing of these positive results is not known at this time.

The City will continue to budget conservatively, utilizing multi-year planning in order to meet its financial obligations, including long-term retirement obligations. It will remain proactive in its efforts to prepare for future challenges, in order to continue to provide the services that the Midland Community expects.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning the information provided in this report, or requests for additional financial information, should be addressed to the Finance Department at the Midland City Hall, 333 W. Ellsworth Street, Midland, MI 48640. Finance Department staff can be reached at 989-837-3322 or at cityhall@midland-mi.org. Additional information can be obtained at the City's website, www.cityofmidlandmi.gov.

City of Midland, Michigan
Statement of Net Position
June 30, 2016

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 44,566,952	\$ 19,219,226	\$ 63,786,178
Investments	-	386,247	386,247
Receivables			
Taxes	308,429	-	308,429
Trust deeds	1,145,381	-	1,145,381
Customers	233,485	3,590,842	3,824,327
Special assessments	393,236	18,814	412,050
Accounts and contracts	1,335,232	117,800	1,453,032
Accrued interest	45,424	17,013	62,437
Contributions	-	2,300,000	2,300,000
Due from other units of government	2,847,185	-	2,847,185
Internal balances	(8,130,404)	8,130,404	-
Inventories	822,260	683,424	1,505,684
Prepaid items	213,040	21,068	234,108
Restricted assets			
Cash and cash equivalents	-	3,585,254	3,585,254
Assets held for resale	225,000	-	225,000
Investment in joint venture	591,800	13,391,659	13,983,459
Capital assets not being depreciated	10,733,953	4,312,074	15,046,027
Capital assets, net of accumulated depreciation	96,856,985	113,163,657	210,020,642
Total assets	152,187,958	168,937,482	321,125,440
Deferred outflows of resources			
Deferred amount on debt refunding	630,780	269,574	900,354
Deferred amount relating to net pension liability - MERS	9,195,136	4,267,799	13,462,935
Deferred amount relating to net pension liability - police and fire	6,103,754	-	6,103,754
Total deferred outflows of resources	15,929,670	4,537,373	20,467,043
Total assets and deferred outflows or resources	168,117,628	173,474,855	341,592,483

See Accompanying Notes to the Financial Statements

City of Midland, Michigan
Statement of Net Position
June 30, 2016

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Liabilities			
Accounts payable	\$ 2,468,032	\$ 1,502,280	\$ 3,970,312
Accrued and other liabilities	489,694	34,337	524,031
Due to other units of government	1,845	-	1,845
Accrued interest	29,781	-	29,781
Guarantee and other deposits	61,245	417,395	478,640
Unearned revenue	142,944	76,757	219,701
Accrued interest	-	22,305	22,305
Noncurrent liabilities			
Net pension liability - MERS	46,694,488	22,445,116	69,139,604
Net pension liability - police and fire	23,820,632	-	23,820,632
Debt due within one year	3,672,211	1,913,265	5,585,476
Debt due in more than one year	14,980,251	13,583,829	28,564,080
Total liabilities	92,361,123	39,995,284	132,356,407
Deferred inflows of resources			
Deferred amount relating to net pension liability - MERS	339,971	162,054	502,025
Total liabilities and deferred inflows of resources	92,701,094	40,157,338	132,858,432
Net position			
Net investment in capital assets	102,825,938	106,991,242	209,817,180
Restricted (expendable) for			
Major street	7,363,509	-	7,363,509
Local street	4,329,246	-	4,329,246
Smart Zone	159,659	-	159,659
Center city authority	62,530	-	62,530
Downtown development authority	996,832	-	996,832
Community development block grant	1,179,101	-	1,179,101
Midland housing	389,022	-	389,022
Special activities	79,540	-	79,540
Cemetery permanent fund			
Expendable	3,888	-	3,888
Nonexpendable	1,984,850	-	1,984,850
Washington Woods project	-	2,300,000	2,300,000
Unrestricted	(43,957,581)	24,026,275	(19,931,306)
Total net position	\$ 75,416,534	\$ 133,317,517	\$ 208,734,051

See Accompanying Notes to the Financial Statements

City of Midland, Michigan
Statement of Activities
For the Year Ended June 30, 2016

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Functions/Programs							
Governmental activities							
General government	\$ 5,263,396	\$ -	\$ 959,244	\$ -	\$ (4,304,152)	\$ -	\$ (4,304,152)
Public safety	19,183,327	92,027	102,030	238,374	(18,750,896)	-	(18,750,896)
Public works	10,776,785	1,129,663	4,650,129	8,523,304	3,526,311	-	3,526,311
Sanitation	3,261,473	38,893	-	-	(3,222,580)	-	(3,222,580)
Community and economic development	1,169,189	32,345	699,469	131,300	(306,075)	-	(306,075)
Parks and recreation	6,634,939	441,471	30,675	256,220	(5,906,573)	-	(5,906,573)
Library and community television	5,196,160	1,390,818	130,684	-	(3,674,658)	-	(3,674,658)
Airport	369,144	197,867	-	660,807	489,530	-	489,530
Transportation	2,144,140	114,230	1,212,214	601,307	(216,389)	-	(216,389)
Property tax appeals	634,724	-	-	-	(634,724)	-	(634,724)
Interest and fiscal charges on long-term debt	441,174	-	2,467	-	(438,707)	-	(438,707)
Total governmental activities	55,074,451	3,437,314	7,786,912	10,411,312	(33,438,913)	-	(33,438,913)
Business-type activities							
Water	10,364,304	11,342,547	933	466,700	-	1,445,876	1,445,876
Wastewater	6,327,439	6,119,310	20,257	440,125	-	252,253	252,253
Sanitary Landfill	3,972,072	3,686,132	636	552,000	-	266,696	266,696
Civic Arena	1,390,330	1,175,430	-	-	-	(214,900)	(214,900)
Senior Housing	4,571,952	3,624,348	106	4,175,205	-	3,227,707	3,227,707
Currie Municipal Golf Course	1,185,301	882,860	10,000	28,000	-	(264,441)	(264,441)
Parking	205,539	100,191	-	-	-	(105,348)	(105,348)
Total business-type activities	28,016,937	26,930,818	31,932	5,662,030	-	4,607,843	4,607,843
Total primary government	\$ 83,091,388	\$ 30,368,132	\$ 7,818,844	\$ 16,073,342	(33,438,913)	4,607,843	(28,831,070)
General revenues							
Property taxes, levied for general purposes					29,215,508	-	29,215,508
Property taxes, levied for Center City Authority					19,838	-	19,838
Property taxes, levied for library					2,382,957	-	2,382,957
Property taxes, levied for Downtown Development Authority					597,388	-	597,388
Property taxes, levied for debt service					627,746	-	627,746
Property taxes, levied for pension savings					2,379,378	-	2,379,378
Other tax related revenue - county road millage					4,411,948	-	4,411,948
State shared revenue, unrestricted					3,396,505	-	3,396,505
Unrestricted investment earnings					87,527	73,919	161,446
Gain on sale of capital assets					407,713	506	408,219
Miscellaneous					751,360	723,793	1,475,153
Transfers					(1,886,637)	1,886,637	-
Total general revenues and transfers					42,391,231	2,684,855	45,076,086
Change in net position					8,952,318	7,292,698	16,245,016
Net position - beginning of year					66,464,216	126,024,819	192,489,035
Net position - end of year					\$ 75,416,534	\$ 133,317,517	\$ 208,734,051

See Accompanying Notes to the Financial Statements

City of Midland, Michigan
Governmental Funds
Balance Sheet
June 30, 2016

	General Fund	Major Street Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 12,024,720	\$ 6,789,493	\$ 10,328,220	\$ 29,142,433
Receivables - net of allowances				
Taxes	283,573	-	24,856	308,429
Trust deeds	43,367	-	1,102,014	1,145,381
Accounts and contracts	540,747	7,248	644,540	1,192,535
Accrued interest	19,934	4,424	10,455	34,813
Due from other units of government	1,261,303	689,742	896,140	2,847,185
Due from other funds	-	-	94,183	94,183
Inventories	52,165	-	8,492	60,657
Prepaid items	14,195	-	-	14,195
Assets held for resale	-	225,000	-	225,000
	<u>-</u>	<u>225,000</u>	<u>-</u>	<u>225,000</u>
Total assets	<u>\$ 14,240,004</u>	<u>\$ 7,715,907</u>	<u>\$ 13,108,900</u>	<u>\$ 35,064,811</u>
Liabilities				
Accounts payable	\$ 973,396	\$ 166,901	\$ 1,170,089	\$ 2,310,386
Due to other funds	-	-	94,183	94,183
Due to other units of government	1,845	-	-	1,845
Deposits	32,915	-	28,330	61,245
Unearned revenue	37	-	142,907	142,944
	<u>1,008,193</u>	<u>166,901</u>	<u>1,435,509</u>	<u>2,610,603</u>
Total liabilities	<u>1,008,193</u>	<u>166,901</u>	<u>1,435,509</u>	<u>2,610,603</u>
Deferred inflows of resources				
Customers	41,313	-	175,332	216,645
Trust deeds	-	-	1,102,014	1,102,014
State shared revenue	588,359	-	-	588,359
	<u>629,672</u>	<u>-</u>	<u>1,277,346</u>	<u>1,907,018</u>
Total deferred inflows of resources	<u>629,672</u>	<u>-</u>	<u>1,277,346</u>	<u>1,907,018</u>
Total liabilities and deferred inflows of resources	<u>1,637,865</u>	<u>166,901</u>	<u>2,712,855</u>	<u>4,517,621</u>

See Accompanying Notes to the Financial Statements

City of Midland, Michigan
Governmental Funds
Balance Sheet
June 30, 2016

	General Fund	Major Street Fund	Nonmajor Governmental Funds	Total Governmental Funds
Fund balances				
Non-spendable				
Inventories	\$ 52,165	\$ -	\$ 8,492	\$ 60,657
Prepaid items	14,195	-	-	14,195
Trust deeds	43,367	-	-	43,367
Assets held for resale	-	225,000	-	225,000
Restricted for				
Major street	-	7,324,006	-	7,324,006
Local street	-	-	4,290,295	4,290,295
Smart Zone	-	-	111,659	111,659
City center authority	-	-	62,530	62,530
Grace A. Dow Memorial Library	-	-	50,999	50,999
Downtown development authority	-	-	1,013,064	1,013,064
Community development block grant	-	-	84,183	84,183
Midland Housing	-	-	32,298	32,298
Special activities	-	-	79,540	79,540
Debt service	-	-	11,004	11,004
Cemetery operations	-	-	1,988,738	1,988,738
Committed				
Contingencies	1,500,000	-	-	1,500,000
Future year expenditures	3,632,253	-	453,891	4,086,144
Assigned	1,811,616	-	2,209,352	4,020,968
Unassigned	5,548,543	-	-	5,548,543
 Total fund balances	 <u>12,602,139</u>	 <u>7,549,006</u>	 <u>10,396,045</u>	 <u>30,547,190</u>
 Total liabilities, deferred inflows of resources and fund balances	 <u>\$ 14,240,004</u>	 <u>\$ 7,715,907</u>	 <u>\$ 13,108,900</u>	 <u>\$ 35,064,811</u>

See Accompanying Notes to the Financial Statements

City of Midland, Michigan
Governmental Funds
Reconciliation of Fund Balances of Governmental Funds
to Net Position of Governmental Activities
June 30, 2016

Total fund balances for governmental funds	\$ 30,547,190
Total net position for governmental activities in the statement of net position is different because	
Capital assets net of accumulated depreciation used in governmental activities are not financial resources and therefore are not reported in the funds.	81,370,330
Capital assets not being depreciated used in governmental activities are not financial resources and therefore are not reported in the funds.	10,678,953
Investment in joint ventures are not financial resources and therefore are not reported in the governmental funds.	591,800
Certain receivables are not available to pay for current period expenditures and, therefore are deferred in the funds.	1,907,018
Certain liabilities are not due and payable in the current period and are not reported in the funds.	
Accrued interest	(30,208)
Deferred outflows (inflows) of resources.	
Deferred outflows of resources resulting from debt refunding	630,780
Deferred inflows of resources resulting from net pension liability - MERS	(300,161)
Deferred outflow of resources resulting from net pension liability - MERS	8,148,462
Deferred outflow of resources resulting from net pension liability - police and fire	6,103,754
Long-term liabilities applicable to governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities.	
Net pension liability - MERS	(41,264,573)
Net pension liability - police and fire	(23,820,632)
Bonds payable	(10,215,000)
Compensated absences	(3,434,325)
Internal service funds are included as part of governmental activities.	<u>14,503,146</u>
Net position of governmental activities	<u><u>\$ 75,416,534</u></u>

See Accompanying Notes to the Financial Statements

City of Midland, Michigan
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2016

	General Fund	Major Street Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Taxes	\$ 31,577,542	\$ 4,411,948	\$ 3,645,273	\$ 39,634,763
Licenses and permits	562,722	125,125	92,497	780,344
Federal grants	193,149	1,073	1,312,453	1,506,675
State revenue sharing	3,370,108	-	-	3,370,108
Other state grants	933,615	3,193,970	2,298,750	6,426,335
Local contributions	402,648	-	624,112	1,026,760
Charges for services	2,318,386	135,718	1,505,048	3,959,152
Use and admission charges	320,406	-	-	320,406
Interest income	56,296	9,523	21,708	87,527
Rental income	74,573	-	-	74,573
Other revenue	1,034,105	13,808	100,793	1,148,706
	<u>40,843,550</u>	<u>7,891,165</u>	<u>9,600,634</u>	<u>58,335,349</u>
Total revenues				
Expenditures				
Current				
General government	6,335,081	-	5,000	6,340,081
Public safety	16,543,084	-	10,000	16,553,084
Public works	2,685,273	1,529,218	1,803,207	6,017,698
Sanitation	3,058,597	-	-	3,058,597
Community and economic development	-	-	1,146,158	1,146,158
Parks and recreation	5,313,123	-	-	5,313,123
Library and community television	-	-	4,257,415	4,257,415
Airport	288,406	-	-	288,406
Transportation	-	-	1,869,850	1,869,850
Property tax appeals	634,724	-	-	634,724
Capital outlay	1,595,608	1,201,985	3,898,099	6,695,692
Debt service				
Principal retirement	-	-	1,175,000	1,175,000
Interest and fiscal charges	-	-	455,878	455,878
Bond issuance costs	-	-	62,413	62,413
	<u>36,453,896</u>	<u>2,731,203</u>	<u>14,683,020</u>	<u>53,868,119</u>
Total expenditures				
Excess (deficiency) of revenues over (under) expenditures	<u>4,389,654</u>	<u>5,159,962</u>	<u>(5,082,386)</u>	<u>4,467,230</u>

See Accompanying Notes to the Financial Statements

City of Midland, Michigan
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2016

	General Fund	Major Street Fund	Nonmajor Governmental Funds	Total Governmental Funds
Other financing sources (uses)				
Proceeds from sale of capital assets	\$ 5,837	\$ -	\$ 412,713	\$ 418,550
Proceeds from refinancing debt	-	-	7,725,000	7,725,000
Payment to refunded bond escrow agent	-	-	(7,662,587)	(7,662,587)
Transfers in	41,515	119,000	6,660,821	6,821,336
Transfers out	(4,753,927)	(2,806,299)	(1,184,150)	(8,744,376)
Total other financing sources (uses)	(4,706,575)	(2,687,299)	5,951,797	(1,442,077)
Net change in fund balance	(316,921)	2,472,663	869,411	3,025,153
Fund balance - beginning of year	12,919,060	5,076,343	9,526,634	27,522,037
Fund balance - end of year	<u>\$ 12,602,139</u>	<u>\$ 7,549,006</u>	<u>\$ 10,396,045</u>	<u>\$ 30,547,190</u>

See Accompanying Notes to the Financial Statements

City of Midland, Michigan
Governmental Funds
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2016

Net change in fund balances - Total governmental funds	\$ 3,025,153
Total change in net position reported for governmental activities in the statement of activities is different because	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Depreciation expense	(4,986,549)
Capital outlay	5,784,573
Donations of capital assets	9,290,485
Loss on disposal of capital assets	(9,937)
Investment in joint ventures are not financial resources and therefore are not shown in the fund-based statements	(179,281)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	
State shared revenue	26,397
Customers	28,375
Grants	(4,245)
Trust deeds	(82,509)
Expenses are recorded when incurred in the statement of activities.	
Accrued interest	77,117
Compensated absences	(21,638)
The statement of net position reports the net pension liability and deferred outflows of resources and deferred inflows related to the net pension liability and pension expense. However, the amount recorded on the governmental funds equals actual pension contributions.	
Net change in net pension liability - MERS	(8,206,324)
Net change in net pension liability - police and fire	(5,783,877)
Net change in the deferred inflow of resources related to the net pension liability - MERS	(300,161)
Net change in the deferred outflows of resources related to the net pension liability - MERS	5,814,692
Net change in the deferred outflows of resources related to the net pension liability - police and fire	4,241,786
Bond proceeds are reported as financing sources in the governmental funds and thus contribute to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position.	
Debt issued	(7,725,000)
Repayments of long-term debt	1,175,000
Payments to bond refunding escrow agent	7,662,587
Internal service funds are also included as governmental activities	(874,326)
Change in net position of governmental activities	\$ 8,952,318

See Accompanying Notes to the Financial Statements

City of Midland, Michigan
Proprietary Funds
Statement of Net Position
June 30, 2016

	Water Fund	Wastewater Fund	Sanitary Landfill Fund	Civic Arena Fund	Washington Woods Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
Assets								
Current assets								
Cash and cash equivalents	\$ 6,852,529	\$ 966,401	\$ 6,852,396	\$ 592,786	\$ 2,569,802	\$ 1,385,312	\$ 19,219,226	\$ 15,424,519
Investments	-	-	-	-	-	386,247	386,247	-
Receivables - net of allowances								
Customers	1,921,034	981,893	653,348	14,885	8,685	10,997	3,590,842	233,485
Special assessments, current	9,653	9,161	-	-	-	-	18,814	62,421
Accounts and contracts	9,362	85,471	-	-	-	22,967	117,800	142,696
Accrued interest	5,613	2,238	5,442	483	2,138	1,099	17,013	10,611
Contributions	-	-	-	-	2,300,000	-	2,300,000	-
Due from other funds	-	-	21,258	-	-	-	21,258	-
Inventories	617,318	-	-	28,486	-	37,620	683,424	761,603
Prepaid items	-	-	-	-	-	21,068	21,068	198,845
Restricted assets								
Cash and cash equivalents	-	1,272,305	-	-	-	-	1,272,305	-
Total current assets	<u>9,415,509</u>	<u>3,317,469</u>	<u>7,532,444</u>	<u>636,640</u>	<u>4,880,625</u>	<u>1,865,310</u>	<u>27,647,997</u>	<u>16,834,180</u>
Noncurrent assets								
Restricted assets								
Cash and cash equivalents	93,680	-	2,219,269	-	-	-	2,312,949	-
Special assessments receivable	-	-	-	-	-	-	-	330,815
Advances to other funds	-	-	309,025	-	-	-	309,025	-
Capital assets not being depreciated	1,131,042	434,082	1,254,905	-	129,468	1,362,577	4,312,074	55,000
Capital assets, net of accumulated depreciation	38,212,206	42,388,037	9,512,715	6,981,885	3,665,648	12,403,166	113,163,657	15,486,655
Investment in joint venture	13,391,659	-	-	-	-	-	13,391,659	-
Total noncurrent assets	<u>52,828,587</u>	<u>42,822,119</u>	<u>13,295,914</u>	<u>6,981,885</u>	<u>3,795,116</u>	<u>13,765,743</u>	<u>133,489,364</u>	<u>15,872,470</u>
Total assets	<u>62,244,096</u>	<u>46,139,588</u>	<u>20,828,358</u>	<u>7,618,525</u>	<u>8,675,741</u>	<u>15,631,053</u>	<u>161,137,361</u>	<u>32,706,650</u>
Deferred outflows of resources								
Deferred amount of debt refunding	-	-	-	269,574	-	-	269,574	-
Deferred amount relating to net pension liability - MERS	<u>1,971,802</u>	<u>993,859</u>	<u>676,057</u>	<u>104,604</u>	<u>270,752</u>	<u>250,725</u>	<u>4,267,799</u>	<u>1,046,674</u>
Total deferred outflows of resources	<u>1,971,802</u>	<u>993,859</u>	<u>676,057</u>	<u>374,178</u>	<u>270,752</u>	<u>250,725</u>	<u>4,537,373</u>	<u>1,046,674</u>
Total assets and deferred outflows of resources	<u>64,215,898</u>	<u>47,133,447</u>	<u>21,504,415</u>	<u>7,992,703</u>	<u>8,946,493</u>	<u>15,881,778</u>	<u>165,674,734</u>	<u>33,753,324</u>

See Accompanying Notes to the Financial Statements

City of Midland, Michigan
Proprietary Funds
Statement of Net Position
June 30, 2016

	Water Fund	Wastewater Fund	Sanitary Landfill Fund	Civic Arena Fund	Washington Woods Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
Liabilities								
Current liabilities								
Accounts payable	\$ 449,840	\$ 97,280	\$ 90,937	\$ 19,067	\$ 247,374	\$ 597,782	\$ 1,502,280	\$ 157,646
Accrued and other liabilities	-	-	-	18,648	-	15,689	34,337	-
Due to other funds	-	-	-	-	-	-	-	21,258
Deposits	105,430	114,132	-	1,033	25,300	77,820	323,715	-
Unearned revenue	16,037	-	-	-	-	60,720	76,757	-
Accrued interest	-	22,305	-	-	-	-	22,305	29,781
Estimated healthcare claims	-	-	-	-	-	-	-	459,485
Total current liabilities	<u>571,307</u>	<u>233,717</u>	<u>90,937</u>	<u>38,748</u>	<u>272,674</u>	<u>752,011</u>	<u>1,959,394</u>	<u>668,170</u>
Noncurrent liabilities								
Net pension liability - MERS	10,280,258	5,322,895	3,518,804	556,774	1,412,075	1,354,310	22,445,116	5,429,915
Current portion of noncurrent liabilities	216,720	1,325,557	60,470	252,492	30,822	27,204	1,913,265	370,903
Guarantee deposits	93,680	-	-	-	-	-	93,680	-
Advances from other funds	-	-	-	-	-	-	-	309,025
Long-term debt net of current portion	129,082	5,612,046	67,748	3,749,081	18,787	9,085	9,585,829	4,632,234
Accrued landfill closure and postclosure care costs	-	-	3,998,000	-	-	-	3,998,000	-
Total noncurrent liabilities	<u>10,719,740</u>	<u>12,260,498</u>	<u>7,645,022</u>	<u>4,558,347</u>	<u>1,461,684</u>	<u>1,390,599</u>	<u>38,035,890</u>	<u>10,742,077</u>
Total liabilities	<u>11,291,047</u>	<u>12,494,215</u>	<u>7,735,959</u>	<u>4,597,095</u>	<u>1,734,358</u>	<u>2,142,610</u>	<u>39,995,284</u>	<u>11,410,247</u>
Deferred inflows of resources								
Deferred amount relating to net pension liability - MERS	<u>74,952</u>	<u>37,652</u>	<u>25,704</u>	<u>3,966</u>	<u>10,292</u>	<u>9,488</u>	<u>162,054</u>	<u>39,810</u>
Total liabilities and deferred inflows of resources	<u>11,365,999</u>	<u>12,531,867</u>	<u>7,761,663</u>	<u>4,601,061</u>	<u>1,744,650</u>	<u>2,152,098</u>	<u>40,157,338</u>	<u>11,450,057</u>
Net position								
Net investment in capital assets	39,343,248	36,048,056	10,767,620	3,271,459	3,795,116	13,765,743	106,991,242	10,776,655
Restricted for								
Washington Woods project	-	-	-	-	2,300,000	-	2,300,000	-
Unrestricted (deficit)	<u>13,506,651</u>	<u>(1,446,476)</u>	<u>2,975,132</u>	<u>120,183</u>	<u>1,106,727</u>	<u>(36,063)</u>	<u>16,226,154</u>	<u>11,526,612</u>
Total net position	<u>\$ 52,849,899</u>	<u>\$ 34,601,580</u>	<u>\$ 13,742,752</u>	<u>\$ 3,391,642</u>	<u>\$ 7,201,843</u>	<u>\$ 13,729,680</u>	<u>125,517,396</u>	<u>\$ 22,303,267</u>
Some amounts reported for business-type activities in the statement of net position are different because certain internal service funds assets and liabilities are reported with business-type activities							<u>7,800,121</u>	
Net position of business-type activities							<u>\$ 133,317,517</u>	

See Accompanying Notes to the Financial Statements

City of Midland, Michigan
Proprietary Funds
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2016

	Water Fund	Wastewater Fund	Sanitary Landfill Fund	Civic Arena Fund	Washington Woods Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
Operating revenue								
Customer fees	\$ 10,492,849	\$ 5,965,747	\$ -	\$ -	\$ -	\$ -	\$ 16,458,596	\$ -
Use and admission charges	-	-	3,680,791	1,175,430	-	963,241	5,819,462	-
Billings to other funds	-	-	-	-	-	-	-	11,697,404
Rental income	388,410	-	-	-	1,224,820	1,440,908	3,054,138	4,367,992
Fines and forfeits	86,169	85,785	5,341	-	-	-	177,295	-
Sale of meals	-	-	-	-	245,678	409,401	655,079	-
Other revenue	76,143	578,001	18,028	12,943	157,394	186,244	1,028,753	2,349,766
Total operating revenue	11,043,571	6,629,533	3,704,160	1,188,373	1,627,892	2,999,794	27,193,323	18,415,162
Operating expenses								
Operations	3,965,772	1,332,227	2,771,233	872,428	2,104,742	2,948,029	13,994,431	18,025,951
Administration	1,522,721	1,121,134	-	-	-	-	2,643,855	-
Maintenance	3,078,665	1,773,786	-	45,927	-	118,806	5,017,184	-
Other expenses	244	402,197	260,896	10,027	-	5,342	678,706	-
Depreciation and amortization	1,478,230	1,635,645	744,304	311,705	221,761	499,105	4,890,750	2,050,015
Total operating expenses	10,045,632	6,264,989	3,776,433	1,240,087	2,326,503	3,571,282	27,224,926	20,075,966
Operating income (loss)	997,939	364,544	(72,273)	(51,714)	(698,611)	(571,488)	(31,603)	(1,660,804)
Nonoperating revenue (expenses)								
Federal grant	800	17,363	545	-	-	-	18,708	4,225
State grant	133	2,894	91	-	-	-	3,118	704
Interest income	13,578	6,070	45,471	1,040	4,855	2,905	73,919	36,637
Contractual revenues	461,288	-	-	-	-	-	461,288	-
Gain (loss) on disposition of assets	-	(44)	(7,478)	-	-	-	(7,522)	199,500
Other revenue	-	-	-	-	-	10,106	10,106	-
Interest expense	-	(160,316)	-	(133,690)	-	-	(294,006)	-
Total nonoperating revenues (expenses)	475,799	(134,033)	38,629	(132,650)	4,855	13,011	265,611	241,066
Income (loss) before contributions and transfers	1,473,738	230,511	(33,644)	(184,364)	(693,756)	(558,477)	234,008	(1,419,738)

See Accompanying Notes to the Financial Statements

City of Midland, Michigan
Proprietary Funds
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2016

	Water Fund	Wastewater Fund	Sanitary Landfill Fund	Civic Arena Fund	Washington Woods Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
Capital contributions	\$ 466,700	\$ 440,125	\$ 552,000	\$ -	\$ 4,175,205	\$ 28,000	\$ 5,662,030	\$ 19,032
Transfers in	-	822,662	-	425,000	124,896	621,051	1,993,609	75,494
Transfers out	(6,019)	(69,475)	-	-	(7,551)	(23,927)	(106,972)	(39,091)
Change in net position	1,934,419	1,423,823	518,356	240,636	3,598,794	66,647	7,782,675	(1,364,303)
Net position - beginning of year	<u>50,915,480</u>	<u>33,177,757</u>	<u>13,224,396</u>	<u>3,151,006</u>	<u>3,603,049</u>	<u>13,663,033</u>	<u>117,734,721</u>	<u>23,667,570</u>
Net position - end of year	<u>\$ 52,849,899</u>	<u>\$ 34,601,580</u>	<u>\$ 13,742,752</u>	<u>\$ 3,391,642</u>	<u>\$ 7,201,843</u>	<u>\$ 13,729,680</u>		<u>\$ 22,303,267</u>
Some amounts reported for business-type activities in the statement of activities are different because the net revenue (expense) of certain internal service funds is reported with business-type activities							(489,977)	
Change in net position of business-type activities							<u>\$ 7,292,698</u>	

See Accompanying Notes to the Financial Statements

City of Midland, Michigan
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2016

	Water Fund	Wastewater Fund	Sanitary Landfill Fund	Civic Arena Fund	Washington Woods Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
Cash flows from operating activities								
Receipts from customers	\$ 10,760,280	\$ 6,588,737	\$ 3,382,372	\$ 1,178,898	\$ (677,969)	\$ 3,031,261	\$ 24,263,579	\$ 7,850,086
Receipts from other funds	-	-	-	-	-	-	-	11,724,880
Payments to suppliers	(4,404,103)	(2,446,625)	(1,182,563)	(611,242)	(1,413,576)	(2,158,089)	(12,216,198)	(14,484,731)
Payments to employees	(4,644,488)	(2,469,855)	(1,501,059)	(307,908)	(834,181)	(1,343,891)	(11,101,382)	(3,272,349)
Net cash provided (used) by operating activities	<u>1,711,689</u>	<u>1,672,257</u>	<u>698,750</u>	<u>259,748</u>	<u>(2,925,726)</u>	<u>(470,719)</u>	<u>945,999</u>	<u>1,817,886</u>
Cash flows from noncapital financing activities								
Transfer from other funds	-	822,662	-	425,000	124,896	621,051	1,993,609	75,494
Transfers to other funds	(6,019)	(69,475)	-	-	(7,551)	(23,927)	(106,972)	(39,091)
Advances from other funds	-	-	21,259	-	-	-	21,259	-
Advances to other funds	-	-	-	-	-	-	-	(21,259)
Nonoperating federal and state grants	933	20,257	636	-	-	106	21,932	4,375
Net cash provided (used) by noncapital financing activities	<u>(5,086)</u>	<u>773,444</u>	<u>21,895</u>	<u>425,000</u>	<u>117,345</u>	<u>597,230</u>	<u>1,929,828</u>	<u>19,519</u>
Cash flows from capital and related financing activities								
Capital contributions	466,700	440,125	552,000	-	4,175,205	28,000	5,662,030	19,032
Purchases/construction of capital assets	(2,931,967)	(2,680,839)	(706,031)	-	(681,259)	(53,029)	(7,053,125)	(1,302,235)
Principal and interest paid on long-term debt	-	(1,355,316)	-	(349,434)	-	-	(1,704,750)	-
Contractual revenues	461,288	-	-	-	-	-	461,288	-
Proceeds from sale of capital assets	-	108	395	-	-	-	503	238,964
Net cash provided (used) by capital and related financing activities	<u>(2,003,979)</u>	<u>(3,595,922)</u>	<u>(153,636)</u>	<u>(349,434)</u>	<u>3,493,946</u>	<u>(25,029)</u>	<u>(2,634,054)</u>	<u>(1,044,239)</u>
Cash flows from investing activities								
Interest received	<u>13,578</u>	<u>6,070</u>	<u>45,471</u>	<u>1,042</u>	<u>4,855</u>	<u>14,249</u>	<u>85,265</u>	<u>36,637</u>
Net change in cash and cash equivalents	(283,798)	(1,144,151)	612,480	336,356	690,420	115,731	327,038	829,803
Cash and cash equivalents - beginning of year	<u>7,230,007</u>	<u>3,382,857</u>	<u>8,459,185</u>	<u>256,430</u>	<u>1,879,382</u>	<u>1,269,581</u>	<u>22,477,442</u>	<u>14,594,716</u>
Cash and cash equivalents - end of year	<u>\$ 6,946,209</u>	<u>\$ 2,238,706</u>	<u>\$ 9,071,665</u>	<u>\$ 592,786</u>	<u>\$ 2,569,802</u>	<u>\$ 1,385,312</u>	<u>\$ 22,804,480</u>	<u>\$ 15,424,519</u>

See Accompanying Notes to the Financial Statements

City of Midland, Michigan
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2016

	Water Fund	Wastewater Fund	Sanitary Landfill Fund	Civic Arena Fund	Washington Woods Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
Cash and equivalents reported on Statement of Net Position as follows								
Cash and cash equivalents	\$ 6,852,529	\$ 966,401	\$ 6,852,396	\$ 592,786	\$ 2,569,802	\$ 1,385,312	\$ 19,219,226	\$ 15,424,519
Cash and cash equivalents - restricted current	-	1,272,305	-	-	-	-	1,272,305	-
Cash and cash equivalents - restricted noncurrent	93,680	-	2,219,269	-	-	-	2,312,949	-
Net cash and equivalents	<u>\$ 6,946,209</u>	<u>\$ 2,238,706</u>	<u>\$ 9,071,665</u>	<u>\$ 592,786</u>	<u>\$ 2,569,802</u>	<u>\$ 1,385,312</u>	<u>\$ 22,804,480</u>	<u>\$ 15,424,519</u>
Noncash investing activities - changes in fair value of investments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (11,344)</u>	<u>\$ (11,344)</u>	<u>\$ -</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities								
Operating income (loss)	\$ 997,939	\$ 364,544	\$ (72,273)	\$ (51,714)	\$ (698,611)	\$ (571,488)	\$ (31,603)	\$ (1,660,804)
Adjustments to reconcile operating income to net cash from operating activities								
Depreciation and amortization expense	1,478,230	1,635,645	744,304	311,705	221,761	499,105	4,890,750	2,050,015
Noncash portion of deferred outflows related to net pension liability	2,050,333	1,022,274	703,449	107,868	281,500	256,986	4,422,410	1,090,499
Loss on investment in joint venture	(1,157,291)	-	-	-	-	-	(1,157,291)	-
Changes in assets and liabilities								
Receivables (net)	(283,291)	(40,796)	(321,683)	(9,475)	(2,305,861)	31,467	(2,929,639)	1,159,699
Due from other funds	-	-	(105)	-	-	-	(105)	-
Inventories	(19,444)	-	-	(6,018)	-	(9,427)	(34,889)	73,082
Prepaid items	-	-	-	-	-	6,856	6,856	466,725
Deferred amount relating to net pension liability - MERS	(1,315,852)	(652,601)	(451,601)	(68,947)	(190,939)	(163,771)	(2,843,711)	(700,670)
Accounts payable	56,649	(522,530)	9,898	(24,106)	157,163	(504,361)	(827,287)	(464,564)
Accrued and other liabilities	(66,324)	(49,834)	(28,239)	401	(1,681)	(50,567)	(196,244)	(196,201)
Deposits	(33,126)	(84,000)	-	34	650	(8,692)	(125,134)	-
Due to other funds	-	-	-	-	10,292	-	10,292	105
Accrued landfill closure costs	-	-	115,000	-	-	-	115,000	-
Unearned revenue	3,866	(445)	-	-	(400,000)	43,173	(353,406)	-
Net cash provided (used) by operating activities	<u>\$ 1,711,689</u>	<u>\$ 1,672,257</u>	<u>\$ 698,750</u>	<u>\$ 259,748</u>	<u>\$ (2,925,726)</u>	<u>\$ (470,719)</u>	<u>\$ 945,999</u>	<u>\$ 1,817,886</u>

See Accompanying Notes to the Financial Statements

City of Midland, Michigan
Fiduciary Funds
Statement of Net Position
June 30, 2016

	Police and Fire Retirement Trust Fund	Agency Funds
Assets		
Cash and cash equivalents	\$ 1,927,424	\$ 2,858,771
Investments		
Common stock	26,659,959	-
Preferred stock	1,844,433	-
Bonds	12,162,667	-
International funds	8,812,484	-
Alternative investments	5,974,019	-
Receivables - net of allowances		
Accounts and contracts	-	138,212
Accrued interest and other	52,163	110
Prepays	-	79,242
	<u>57,433,149</u>	<u>\$ 3,076,335</u>
Liabilities		
Accrued and other liabilities	-	\$ 1,074,920
Due to foundations	-	152,261
Due to other units of government	-	1,849,154
	<u>-</u>	<u>\$ 3,076,335</u>
Net position		
Net position restricted for pensions	<u>\$ 57,433,149</u>	

See Accompanying Notes to the Financial Statements

City of Midland, Michigan
Fiduciary Funds
Statement of Changes in Net Position
For the Year Ended June 30, 2016

	<u>Police and Fire Retirement Trust Fund</u>
Additions	
Contributions	
Employer	\$ 2,557,242
Plan members	<u>596,652</u>
Total contributions	<u>3,153,894</u>
Investment earnings	
Net loss on fair value of investments	(2,106,726)
Interest	268,000
Dividends	<u>989,960</u>
Total investment earnings (losses)	(848,766)
Less investment expense	<u>(403,352)</u>
Net investment earnings (losses)	(1,252,118)
Other revenue	<u>95</u>
Total additions	<u>1,901,871</u>
Deductions	
Benefits paid	<u>5,379,062</u>
Change in net position	(3,477,191)
Net position restricted for pensions - beginning of year	<u>60,910,340</u>
Net positions restricted for pensions - end of year	<u><u>\$ 57,433,149</u></u>

See Accompanying Notes to the Financial Statements

City of Midland, Michigan
Notes to the Financial Statements
June 30, 2016

Note 1 - Summary of Significant Accounting Policies

The accounting policies of the City of Midland, Michigan (the "City") conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the significant accounting policies used by the City of Midland, Michigan.

Reporting Entity

The City of Midland is a municipal corporation governed by an elected five-member City Council (the "Council"), which biannually selects one of its members to serve as mayor. The City operates under a council-manager form of government. The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Although blended component units are legal separate entities, in substance, they are part of the government's operations and data from these units are therefore combined with data from the primary government.

Blended Component Unit

Midland Downtown Development Authority – The Midland Downtown Development Authority (MDDA) was established in 1987 for the purpose of maintaining and renovating the downtown Midland area. The MDDA is administered by a 12-person board, which is appointed by the City Council. Funding for the MDDA is provided by a two-mill levy on property within the district and by tax increment financing. All projects initiated by the MDDA are considered public improvements to the City's infrastructure, parks, or parking facilities. Since the MDDA is used exclusively as a financing source for City facilities, it has been blended into the financial statements of the City as a Special Revenue Fund. The MDDA has a June 30 year end.

Center City Authority – The Center City Authority (CCA) was established in May 2008 for the purpose of capturing incremental tax revenues generated in the district to reinvest them in the district thus enhancing the area's business climate. The CCA is administered by a

seven-member board, which is appointed by the City Council. Funding for the CCA mainly comes from tax increment financing from properties located within the CCA district. All projects initiated by the CCA will be considered public improvements by the City facilities, it has been blended into the financial statements as a Special Revenue Fund. The CCA has a June 30 year end.

Joint Ventures

Saginaw-Midland Municipal Water Supply Corporation – The Saginaw-Midland Municipal Water Supply Corporation (SMMWSC), located approximately 13.5 miles east of the City of Midland, is an Authority incorporated by the Cities of Midland and Saginaw, Michigan, under Act 233, Public Acts of Michigan, 1955, as amended. The SMMWSC is administered by a six-member board of trustees, each community appointing three members, and is empowered to prepare, adopt, and submit to the legislative bodies of each municipality an annual budget covering estimated revenues, proposed expenditures, and the necessary funds required from each municipality for the next fiscal year.

Funding for the acquisition of property and for the development and improvement of the water supply system is provided by sale of SMMWSC negotiable bonds secured by the full faith and credit of each municipality in a ratio based upon predetermined capacity reserves; 20/43rds for the City of Midland and 23/43rds for the City of Saginaw. Funding for operations is provided by sale of water to the two communities on a consumption basis. The City's equity in the SMMWSC is accounted for in the Water Fund, which is included in the business-type activities column of the statement of net position.

City of Midland, Michigan
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A summary of SMMWSC's financial information for the year ended June 30, 2016 follows:

Total assets and deferred outflows of resources	\$ 40,335,616
Total liabilities	11,543,549
Equity - City of Midland	13,391,659
Equity - City of Saginaw	15,400,408
Total revenues	6,865,453
Total expenses	4,377,278
Net income	2,488,175

At June 30, 2016, total outstanding bonded debt of the SMMWSC was \$8,100,000. The City was obligated for \$3,767,442 of this total.

Midland City/County Joint Building Authority – The City's ownership interest in the Midland City/County Joint Building Authority is accounted for in the governmental activities column of the statement of net position. The Authority was created as a financing vehicle for the Midland Law Enforcement Center. The Law Enforcement Center is leased from the Joint Building Authority (JBA) by the City of Midland Police Department, the Midland County Sheriff Department, and the Midland County Central Dispatch Authority. The JBA is governed by a three-person board with the City and County each appointing one member and with the third member being mutually appointed. Additional information concerning the Joint Building Authority and its lease with the City is detailed later in the notes.

Complete financial statements, which are audited for the Saginaw-Midland Municipal Water Supply Corporation and the Midland City/County Joint Building Authority, are available from the City Clerk's office.

Total net position per the JBA June 30, 2016 financial statements was \$913,271. The City's equity of 64.80 percent of this total, resulted in \$591,800 at June 30, 2016 which is recorded in the government-wide statements.

The City is unaware of any circumstances that would cause an additional benefit or burden to the participating parties in the near future for any of the above organizations.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

City of Midland, Michigan
Notes to the Financial Statements
June 30, 2016

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements, excluding agency funds which have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Sales and motor fuel taxes collected and held by the State at fiscal year end on behalf of the City are also recognized as revenue of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Major Street Fund accounts for revenues from charges for services, gas and weight taxes and property taxes levied for expenditures relating to construction activities, repairs, and maintenance of all major streets and trunklines.

The City reports the following major proprietary funds:

The Water Fund accounts for the operation and maintenance of the City's water supply system and capital additions.

The Wastewater Fund accounts for the operation and maintenance of the City's sewage disposal system, capital additions and retirement of bonds.

The Sanitary Landfill Fund accounts for the operation and maintenance of the City's trash and garbage disposal system.

The Civic Arena Fund accounts for the operations and maintenance of the City's ice arena facility, capital additions, and retirement of debt.

The Washington Woods Fund accounts for the operation and maintenance of one of the City's senior housing rental properties.

City of Midland, Michigan
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The City reports the following nonmajor governmental funds:

Special Revenue Funds

Local Street Fund accounts for the maintenance and construction of streets designated by the Michigan Department of Transportation as local streets.

Smart Zone Fund through a partnership with Midland Tomorrow accounts for funds collected from the Tax Increment Financing District to align and strategically fund community economic development functions building on Midland's base of innovation in the chemical and advanced materials sectors.

Center City Authority Fund accounts for the economic growth in the City Center as it becomes a destination for endless possibilities to eat, shop, and explore.

Stormwater Management Fund accounts for storm sewer maintenance, open drain cleaning, and county drain assessments related to storm water management within the City.

Grace A. Dow Memorial Library Fund accounts for property taxes, library services revenue and a General Fund subsidy to be used for providing library services to the citizens of Midland.

Community Development Block Grant Fund accounts for grant revenues from the Department of Housing and Urban Development to be used for residential and other capital improvements.

Dial-A-Ride Fund accounts for the City's Dial-A-Ride transportation system.

Downtown Development Authority Fund accounts for property taxes levied by and authority established for the purpose of maintaining and renovating the downtown Midland area.

Midland Community Television Fund accounts for franchise fees generated by an agreement with a local cable company to support two public access channels operated by the City.

Special Activities Fund accounts for various types of activities that are specifically funded by outside parties, not appropriate to be accounted for in any other Special Revenue Fund, and for which the City is the benefactor of those activities.

Midland Housing Fund is used to account for a housing rehabilitation program, which was established by a local foundation.

Debt Service Fund

The Debt Service Fund accounts for the servicing of general long-term debt not being financed by proprietary or nonexpendable trust funds.

Permanent Fund

The Cemetery Fund is used to account for the Midland Cemetery perpetual care principal and interest earnings.

The City reports the following nonmajor proprietary funds:

Riverside Place Fund accounts for the operation and maintenance of one of the City's senior housing rental properties.

City of Midland, Michigan
Notes to the Financial Statements
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The Currie Municipal Golf Course Fund accounts for the operation and maintenance of the City's golf course.

The Parking Fund accounts for the operations of the City's metered and leased parking spaces and downtown parking structure.

Additionally, the City reports the following internal service funds:

The Information Services Fund accounts for the operations of the City's Information Services Department.

The Store Revolving Fund accounts for the revenue and expenses associated with inventory items consumed by various departments and not specific to any one department.

The Equipment Revolving Fund accounts for rental charges of City-owned equipment to other City departments.

The Municipal Service Center Fund accounts for the operations of the City's Service Center building.

The Renewable Energy Services Fund was created to account for the activities related to the City's gas-to-energy project. Gases from the City's landfill will be captured and converted to electric energy, which will be sold to outside entities. Savings created by this operation will be rebated back to other City funds based upon their electricity consumption.

The Property and Liability Insurance Fund accounts for insurance expenses resulting from property and liability claims.

The Health Insurance Fund accounts for revenues and expenses of the City's self-insurance program for health insurance along with the contributions toward postemployment healthcare benefits.

The Special Assessment Revolving Fund accounts for the funding of the City's special assessment projects.

The Municipal Service Annex Fund accounts for the operations of the City's Municipal Service Annex building.

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Because these funds represent trust responsibilities of the City, these assets are restricted in purpose and do not represent discretionary assets of the City. The City's only fiduciary fund in the current year is the Police and Fire Retirement Fund. The City's fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position.

The agency funds account for assets held by the City in a trustee capacity. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results in operations. The City administers the following agency funds:

The Payroll Fund is used to account for all benefits charged and all deductions withheld during payroll processing until payments are remitted.

The Midland Downtown Business Association Fund accounts for special assessments charged to property owners within the Authority district for promotion of this area. The City acts as an agent for the financial management of this authority.

The DDA Façade Improvements Fund accounts for loans to businesses in the Downtown Development Authority business district. The funding for these loans was provided by a grant from the Rollin M. Gerstacker Foundation.

The Tax Collection Fund is used to account for taxes collected on behalf of other governmental units.

City of Midland, Michigan
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The Center City Façade Improvements Fund accounts for loans to commercial property owners and business owners in the Center City corridor for qualifying façade improvements. The funding for these loans was provided by a grant from the Midland Area Community Foundation.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the City's water and wastewater function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's proprietary funds and the internal service funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. The portion intended to recover the cost of infrastructure is recognized as nonoperating revenue. Operating expenses for the proprietary funds and the internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity

Deposits and investments – Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value based on quoted market price. Certificate of deposits are stated at cost which approximates fair value.

Receivables and payables – In general, outstanding balances between funds are reported as "due to/from other funds." Activity between funds that is representative of lending/borrowing arrangement outstanding at the end of the fiscal year is referred to as "advances to/from other funds." Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances."

Property tax receivables are shown as net of allowance for uncollectible amounts totaling \$48,900. The property tax receivable allowance at June 30, 2016 equals 100 percent of outstanding property taxes over two years old, 50 percent of outstanding property taxes two years old, and 10 percent of outstanding property taxes one year old.

Properties are assessed annually as of December 31, and property taxes are billed and become a lien on July 1 of the following year. These taxes are due on September 15 with a final collection date of February 28 before they are added to the county tax roll. The City also bills and collects an amount each December, primarily for schools, County, and college. Also included in the December billing is a tax administration fee, which is revenue to the City. The December

City of Midland, Michigan
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billing is due February 14 with a final collection date of February 28. Penalties and interest are assessed on payments received after the due date.

The 2015 taxable valuation of the City totaled \$2,358,805,932 on which ad valorem taxes consisted of 12.69 mills for the City's operating purposes, 1.0 mills for Library services, 1.05 for pension savings, and 0.26 mills for debt levies. This resulted in \$29,171,942 for operating expenses, \$2,343,332 for the Library, \$2,460,027 for pension savings, and \$609,161 for debt service, exclusive of any Michigan Tax Tribunal or Board of Review adjustments.

Inventories and prepaid items – Inventories are valued at cost, on an average cost method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both the government-wide and fund financial statements.

Restricted assets – Certain resources are set aside for debt service on the City's Enterprise Fund general obligation bonds and are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. Additionally, certain resources are set aside for closure and postclosure costs for the enterprise landfill operation and are classified as restricted assets because their use is limited by applicable State regulations.

Assets held for resale – include properties acquired with the express intent of resale. Properties are recorded at cost in the governmental funds. At year end, the City's Major Street fund held property with the intent of selling or exchanging it for road right-of-way property for future street expansion projects.

Capital assets – Capital assets, which include property, plant, equipment, and infrastructure (e.g., road, bridges, sidewalks, and similar items) are reported in the applicable governmental or

business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost, if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Projects with total costs of less than \$10,000 are considered repairs and are reported as expenses in the year incurred. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Capital assets are depreciated using the straight-line method over the following useful lives:

Buildings	50 years
Building improvements	20 years
Land improvements	50 years
Roads and sidewalks	20 to 30 years
Water and sewer distribution systems	50 years
Vehicles	3 to 10 years
Equipment	10 years
Library circulation materials	5 years
Computer equipment	4 years

Deferred outflows of resources – A deferred outflow of resources is a consumption of net position by the government that is applicable to a future reporting period. The City reported deferred outflows of resources as a result of pension earnings. This amount is the result of

City of Midland, Michigan
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a difference between what the plan expected to earn from plan investments and what is actually earned. This amount will be amortized over the next four years and included in pension expense. Changes in assumptions relating to the net pension liability are deferred and amortized over the expected remaining service lives of the employees and retirees in the plan. The City also reported deferred outflows of resources for pension contributions made after the measurement date. This amount will reduce net pension liability in the following year.

Compensated absences – It is the City’s policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vacation pay is fully vested when earned, and sick pay is conditionally vested upon completion of 10 years of service. Upon retirement, employees are paid accumulated vacation and one-half of unused sick days at their hourly rate as of their retirement date.

All sick and vacation pay is accrued when incurred in the government-wide, and proprietary fund financial statements. A liability for the entire amount, current and long term is accrued in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-term obligations – In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Pensions and other postemployment benefit (OPEB) costs – The City offers both pension and retiree healthcare benefits to retirees. For purposes of measuring the net pension liability, deferred outflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Municipal Employees Retirement System (MERS) of Michigan and the Police and Fire Retirement System and additions to/deductions from MERS and the Police and Fire Retirement System’s fiduciary net position have been determined on the same basis as they are reported to the systems. The City received actuarial-based calculations to compute the annual required contributions (ARC) necessary to fund the obligations over the remaining amortization periods. In the governmental funds, pension and OPEB costs are recognized as contributions are made. For the government-wide statements and proprietary funds, the City reports the full accrual cost equal to the current year required contributions, adjusted for interest and “adjustment to the ARC” on the beginning of the year underpaid amount, if any.

Deferred inflows of resources – A deferred inflow of resources is an acquisition of net position by the government that is applicable to a future reporting period. For governmental funds this includes unavailable revenue in connection with receivables for revenues that are not considered available to liquidate liabilities of the current period. The City reported deferred inflows of resources as a result of pension earnings. This amount is the result of a difference between what the plan expected to earn from the plan investments and what the plan actually earned. This amount will be amortized over the next

City of Midland, Michigan
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four years and included in pension expense. Changes in assumptions relating to the net pension liability are deferred and amortized over the expected remaining service lives of the employees and retirees in the plan.

Fund equity – In the fund financial statements, governmental funds report fund balance in the following categories:

Non-spendable – assets that are not available in a spendable form.

Restricted – amounts that are legally imposed or otherwise required by external parties to be used for a specific purpose.

Committed – amounts constrained on use imposed by the City's highest level of decision-making, its City Council. A fund balance commitment may be established, modified, or rescinded by a resolution of the City Council.

Assigned – amounts intended to be used for specific purposes, as determined by City Council. The City Council annually approves a resolution granting the City's Assistant City Manager the authority to assign funds. In governmental funds other than the General Fund, the assigned fund balance represents the amount that is not restricted or committed which indicates that these resources are, at a minimum, intended to be used for the purpose of that fund.

The governmental funds have an assigned fund balance as of June 30, 2016 for the following purposes:

General Fund Encumbrances	\$ 1,811,616
Stormwater Management	941,097
Midland Community Television	<u>1,268,255</u>
Total	<u><u>\$ 4,020,968</u></u>

Unassigned – all other resources for General Fund; the remaining fund balances after non-spendable, restrictions, commitments and assignments.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City's policy is to consider restricted funds spent first.

When an expenditure is incurred for purposes for which committed, assigned, or unassigned amounts could be used, the City's policy is to consider the funds to be spent in the following order: (1) committed, (2) assigned, (3) unassigned.

Encumbrances

The following encumbrances are reported within assigned and restricted fund balance in the governmental funds:

General cash flow management	\$ 1,811,616
Major Street	3,197,039
Nonmajor Governmental	2,226,892

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United State of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from these estimates.

Adoption of New Accounting Standards

The Governmental Accounting Standards Board ("The GASB") has issued Statement No. 72 *Fair Value Measurements and Applications*. Statement 72 provides guidance for accounting and financial reporting issues related to fair value measurement. This Statement provides guidance for determining a fair value measurement for financial

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reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The guidance establishes a three level hierarchy of inputs for valuation of fair value. Statement 72 is effective for the year ended June 30, 2016.

Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statement 67 and 68*. The first objective of this Statement is provide the readers of the financial statements information about the effects of the pension-related transactions on the financial statements of state and local government employers. It will assist in assessing the relationship between a government's inflows of resources and its total cost (including pension expense) of providing government services each period in addition to providing information about the government's pension obligation. The second objective of this Statement is to improve the information about financial support provided by certain nonemployer entities for pensions that are provided to the employees of other entities that are not within the scope of Statement No. 68. These requirements are effective for the fiscal year ending June 30, 2017. The third objective is to improve the quality of information associated with governments that hold assets accumulated for purposes of providing defined benefit pensions that are not within the scope of Statement 68 and to clarify the application of certain provisions of Statement No. 67 and 68. These requirements are effective for the fiscal year ended June 30, 2016.

Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify the hierarchy of generally accepted accounting principles (GAAP). The "GAAP hierarchy" consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and

addresses the use of authoritative and non-authoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. This Statement supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. Statement 76 is effective for the year ended June 30, 2016.

Statement No. 79, *Certain External Investment Pools and Pool Participants*, establishes criteria that, if met, permit external investment pools to elect to measure all of their investments at amortized cost for financial reporting purposes. Also, it establishes additional disclosure requirements for qualifying external investment pools that make that election and for governments that participate in such external investment pools. Statement 79 is effective for the year ended June 30, 2016.

Statement No. 82, *Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73* addresses certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. Statement 82 is effective for the year ending June 30, 2017. However, the City early implemented this statement for the year ended June 30, 2016.

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Upcoming Adoption of New Accounting Standards

Statement No. 74 *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* addresses the other postemployment benefits plans (OPEB) – defined benefit and defined contribution – administered through trusts. This Statement will improve the financial reporting primarily through enhanced note disclosures and schedules of required supplementary information that will be presented by OPEB plans that are administered through trusts. This information will enhance the transparency by providing information about measures of net OPEB liabilities and explanations of how and why those liabilities changed from year to year. Statement No. 74 is effective for the fiscal year ending June 30, 2017.

Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined OPEB plans, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee services. It also requires additional note disclosures and required supplementary information. Statement No. 75 is effective for the fiscal year ending June 30, 2018.

Statement No. 77, *Tax Abatement Disclosures* requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues. The requirements of this Statement are effective for the fiscal year ending June 30, 2017.

Statement No. 80, *Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14* amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The requirements of this Statement are effective for the fiscal year ending June 30, 2017.

Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. Statement No. 81 is effective for the fiscal year ending June 30, 2018.

The City is evaluating the impact that the above GASBs will have on its financial reporting.

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Note 2 - Stewardship, Compliance, and Accountability

State Construction Code Act

The City oversees building construction, in accordance with the State's Construction Code Act, including inspection on building construction renovation to ensure compliance with the building codes. The City charges fees for these services. Beginning January 1, 2000, the law requires that collection of these fees be used only for construction code costs, including an allocation of estimated overhead costs. A summary of the current year activity and the cumulative shortfall generated since January 1, 2000 follows:

Shortfall at July 1, 2015	\$ (696,415)
Adjustment to prior year balance	(72,333)
Current year building permit revenue	475,092
Related expenses:	
Direct costs	\$ 513,346
Estimated indirect costs	<u>30,801</u>
Total construction code expenses	<u>544,147</u>
Cumulative shortfall at June 30, 2016	<u><u>\$ (837,803)</u></u>

Excess of Expenditures Over Appropriations

During the year, the City incurred expenditures in certain budgetary funds which were in excess of the amounts appropriated as follows:

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Midland Housing Fund			
Community and economic development	\$ 153,912	\$ 401,591	\$ 247,679
Smart Zone Fund			
Public works	86,741	115,204	28,463

Government-Wide Deficit

The City has an unrestricted net position deficit in the Governmental Activities in the amount of \$43,957,581 as of June 30, 2016. There are no governmental funds with a deficit at year end.

Deficit Net Position

The City has an accumulated unrestricted net position deficit in the Currie Municipal Golf Course Fund. A deficit elimination plan is on file with the Michigan Department of Treasury for the fund.

Note 3 - Deposits and Investments

Michigan Compiled Laws, Section 129.91 (Public Act 20 of 1943, as amended) authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associates that have offices in Michigan. The local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; United States government of federal agency obligations; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications, which matures not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions, which are rates as investment grade; and mutual funds

City of Midland, Michigan
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composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

The City Council has designated nine financial institutions for the deposit of local unit funds. The investment policy adopted by the City in accordance with Public Act 20 of 1943 (as amended) authorizes investments in U.S. Treasuries, U.S. agencies and instrumentalities, certificates of deposit, commercial paper (meeting certain rating and maturity requirements), repurchase agreements, investment pools, bankers' acceptances of U.S. banks, and mutual funds. Repurchase agreements must be signed with the bank or dealer and must contain provisions comparable to those outlined in the Public Security Association's model Master Repurchase Agreement. The City Treasurer may invest in investment pools organized under the Surplus Funds Investment Pool Act of 1982 and under the Urban Cooperation Act of 1967.

For Mutual Funds, the City Treasurer may invest in funds registered under the Investment Company Act of 1940. This authorization is limited to securities whose intention is to maintain a net asset value of \$1.00 per share and investment vehicles that are legal for direct investment by a public corporation.

The above-mentioned City investment policy applies to all financial assets of the City except for its Post-Retirement Health Care and the Police and Fire Retirement System Fund, which are organized and administered separately. Investments are made pursuant to provisions of the Public Employee Retirement System Investment Act of 1965. Michigan Public Act 314 of 1965 and Michigan Public Act 149 of 1999, as amended, authorize investments in certain reverse repurchase agreements, stocks, diversified investment companies, annuity investment contracts, real estate leased to public entities, mortgages, real estate (if the trust fund's assets exceed \$250 million), debt or equity of certain small businesses, certain state and local government obligations, and certain other specified investment vehicles.

At year end, the City's deposits and investments were reported in the basic financial statements in the following categories:

	Cash and Cash Equivalents	Investments	Restricted Cash and Cash Equivalents	Total
Governmental activities	\$ 44,566,952	\$ -	\$ -	\$ 44,566,952
Business-type activities	<u>19,219,226</u>	<u>386,247</u>	<u>3,585,254</u>	<u>23,190,727</u>
Total primary government	63,786,178	386,247	3,585,254	67,757,679
Fiduciary funds	<u>4,786,195</u>	<u>55,453,562</u>	<u>-</u>	<u>60,239,757</u>
Total	<u>\$ 68,572,373</u>	<u>\$ 55,839,809</u>	<u>\$ 3,585,254</u>	<u>\$ 127,997,436</u>

The break down between deposits and investments is as follows:

	Primary Government	Fiduciary Funds	Total
Bank deposits (checking and savings accounts, money markets and certificates of deposit)	\$ 67,362,155	\$ 4,786,195	\$ 72,148,350
Investments in securities, mutual funds and similar vehicles	386,247	55,453,562	55,839,809
Petty cash and cash on hand	<u>9,277</u>	<u>-</u>	<u>9,277</u>
Total	<u>\$ 67,757,679</u>	<u>\$ 60,239,757</u>	<u>\$ 127,997,436</u>

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The City's cash and investments are subject to several types of risk, which are examined in more detail below:

Concentration of Credit Risk – The City has no policy that would limit the amount that may be issued in any one issuer. The City has two investments in individual issuers that exceeded five percent of total investments. The Mesirow Institutional Multi-Strategy Fund LPA and Ironwood Institutional Multi-Strategy Fund LLC alternative investments were 5.53% and 5.17% of total investments, respectively.

Custodial Credit Risk of Bank Deposits – Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. At year end, the City had \$55,370,439 of bank deposits (certificates of deposit, checking, and savings accounts) that were uninsured and uncollateralized. The City believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the City evaluates each financial institution with which it deposits its funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Interest Rate Risk – Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The City's investment policy does not restrict investment maturities, other than commercial paper which can only be purchased with a 270-day maturity.

At year end, the average maturities of investments are as follows:

Investment	Fair Value	Weighted Average Maturity
Commercial paper	\$ 10,813,007	0.225
Corporate bonds	9,803,111	5.566
FHLM	99,114	1.775
FNMA	851,780	25.698
Municipal obligation	2,001,804	2.594
U.S. Treasury notes	1,483,740	5.872

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Credit Risk – State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The City's investment policy does not further limit its investment choices. As of yearend, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

Investment	Fair Value	Rating	Organization
Commercial paper	\$ 10,813,007	A1	S & P
Corporate bonds	1,076,596	A	S & P
Corporate bonds	1,062,297	A-	S & P
Corporate bonds	117,371	AA-	S & P
Corporate bonds	180,274	AA+	S & P
Corporate bonds	769,551	AAA	S & P
Corporate bonds	110,954	B-	S & P
Corporate bonds	42,033	B	S & P
Corporate bonds	70,503	BB	S & P
Corporate bonds	36,356	BB-	S & P
Corporate bonds	655,279	BB+	S & P
Corporate bonds	1,013,313	BBB-	S & P
Corporate bonds	1,962,342	BBB	S & P
Corporate bonds	1,651,436	BBB+	S & P
Corporate bonds	1,054,807	N/A	S & P
FHLM	99,114	AA+	S & P
FNMA	121,319	AA+	S & P
FNMA	730,460	N/A	S & P
Money market funds	901,903	N/A	N/A
Municipal obligation	541,720	AA	S & P
Municipal obligation	103,774	A+	S & P
Municipal obligation	473,369	AA-	S & P
Municipal obligation	335,655	AA+	S & P
Municipal obligation	273,142	AAA	N/A
Municipal obligation	274,144	N/A	N/A
Mutual funds	1,481,475	N/A	N/A
Pooled funds	275,855	N/A	N/A

Endowments

The City has established endowment funds at the Midland Area Community Foundation (the "Foundation"). The Foundation has variance power over the funds transferred by the City to the endowment fund and could use those funds for other purposes. Assets held at the Foundation where the Foundation has variance power are not included in these financial statements and had a market value of \$2,124,031 at June 30, 2016.

Note 4 - Fair Value

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The City has the following recurring fair value measurements as of June 30, 2016:

	Balance at Year End	Quoted Price in Active Markets for Identical Assets (Level 1)	Significant Unobservable Inputs (Level 3)
Common stock	\$ 27,046,206	\$ 27,046,206	\$ -
Preferred stock	1,844,433	1,844,433	-
Bonds	12,162,667	12,162,667	-
International funds	8,812,484	8,812,484	-
Alternative investments	5,974,019	-	5,974,019
Total	\$ 55,839,809	\$ 49,865,790	\$ 5,974,019

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Fair values for Level 1 investments are determined by reference to quoted market prices and other relevant information generated by market transactions.

The fair value of Level 3 investments is determined by the net asset value per share.

The City is invested in two alternative investments as of June 30, 2016 which are considered Level 3. The Ironwood Institutional Multi-Strategy Fund and Mesirow Institutional Multi Strategy Fund LP are privately offered and invest in various third party private investment funds.

The Ironwood Institutional Multi-Strategy Fund's holds units that are not redeemable. The Board, in its sole and absolute discretion, may authorize the Fund to make a tender offer to repurchase members' unites at the net asset value per unit on repurchase date. Ironwood expenses that it will recommend to the Board that the Fund make an offer to repurchase not less than 10% of outstanding units as of June 30 and December 31 of each year. Responses to a repurchase offer must be received by the Fund at least 95 calendar days prior to the repurchase date. Units held less than one year are subject to a fee of 5% of the value of the units repurchased by the Fund, payable to the Fund.

For the Mesirow Institutional Multi-Strategy Fund LP's, the City can make additional contributions on the first business day of each calendar quarter at the discretion of the general partner. The City may also withdraw capital at the end of any calendar quarter upon 95 days prior written notice to the general partner or at any time with the consent of the general partner.

Changes in the level 3 assets at fair value on a recurring basis:

Beginning balance, July 1	\$ 6,322,710
Purchases	76,445
Unrealized loss	<u>(425,136)</u>
Ending balance, June 30	<u>\$ 5,974,019</u>

Note 5 - Receivables

The special assessment receivables that are not expected to be collected within one year are as follows:

	<u>Due After One Year</u>
Special assessments	<u>\$ 330,815</u>

The receivables are included in the Special Assessment Revolving Fund.

Contributions receivable are scheduled to be collected as follows:

Receivable in less than one year	\$ 1,300,000
Receivable in two years	<u>1,000,000</u>
Total	<u>\$ 2,300,000</u>

Contributions receivable in future years were not discounted due to the fact that the discount was deemed immaterial. The receivable is accounted for in the Washington Woods Enterprise Fund.

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Note 6 - Unearned Revenue

Governmental activities and business-type activities report unearned revenue in connection with resources that have been received but not yet earned. At the end of the current fiscal year, the balance in unearned revenue is comprised of the following:

Grants and contributions	\$ 142,944
Utility overpayments	16,037
Other revenue	<u>60,720</u>
Total	<u><u>\$ 219,701</u></u>

Note 7 - Capital Assets

Capital assets activity of the City for the year ended June 30, 2016 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land	\$ 6,205,641	\$ 131,300	\$ 473	\$ 6,336,468
Construction in progress	<u>3,508,538</u>	<u>5,286,432</u>	<u>4,397,485</u>	<u>4,397,485</u>
Total capital assets not being depreciated	<u>9,714,179</u>	<u>5,417,732</u>	<u>4,397,958</u>	<u>10,733,953</u>
Capital assets being depreciated				
Major and local streets	77,101,132	12,185,272	-	89,286,404
Sidewalks	5,755,908	87,201	-	5,843,109
Buildings	33,358,876	109,989	15,939	33,452,926
Land improvements	27,169,381	417,261	-	27,586,642
Library circulation materials	4,571,808	-	-	4,571,808
Equipment	15,249,523	745,801	255,556	15,739,768
Vehicles	<u>16,771,918</u>	<u>1,811,521</u>	<u>1,390,224</u>	<u>17,193,215</u>
Total capital assets being depreciated	<u>179,978,546</u>	<u>15,357,045</u>	<u>1,661,719</u>	<u>193,673,872</u>
Less accumulated depreciation for				
Major and local streets	40,531,624	2,958,721	-	43,490,345
Sidewalks	3,528,188	198,101	-	3,726,289
Buildings	14,501,523	790,142	15,939	15,275,726
Land improvements	8,769,523	580,779	-	9,350,302
Library circulation materials	4,330,365	135,293	-	4,465,658
Equipment	9,542,095	1,018,015	255,230	10,304,880
Vehicles	<u>10,190,352</u>	<u>1,355,513</u>	<u>1,342,178</u>	<u>10,203,687</u>
Total accumulated depreciation	<u>91,393,670</u>	<u>7,036,564</u>	<u>1,613,347</u>	<u>96,816,887</u>
Net capital assets being depreciated	<u>88,584,876</u>	<u>8,320,481</u>	<u>48,372</u>	<u>96,856,985</u>
Governmental activities capital assets, net	<u>\$ 98,299,055</u>	<u>\$ 13,738,213</u>	<u>\$ 4,446,330</u>	<u>\$ 107,590,938</u>

City of Midland, Michigan
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	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities				
Capital assets not being depreciated				
Land	\$ 2,777,794	\$ -	\$ -	\$ 2,777,794
Construction in progress	2,872,918	4,094,809	5,433,447	1,534,280
Total capital assets not being depreciated	5,650,712	4,094,809	5,433,447	4,312,074
Capital assets being depreciated				
Water and sewer lines	94,171,352	4,734,926	-	98,906,278
Building and building improvements	85,520,531	1,768,221	-	87,288,752
Land improvements	9,323,499	108,973	-	9,432,472
Landfill improvements	13,148,888	508,295	-	13,657,183
Equipment	8,355,861	729,349	15,523	9,069,687
Vehicles	1,960,212	552,000	135,000	2,377,212
Total capital assets being depreciated	212,480,343	8,401,764	150,523	220,731,584
Less accumulated depreciation for				
Water and sewer lines	39,835,483	1,833,398	-	41,668,881
Building and building improvements	44,082,598	1,834,611	-	45,917,209
Land improvements	2,420,835	181,449	-	2,602,284
Landfill improvements	9,248,841	346,386	-	9,595,227
Equipment	5,798,014	546,258	15,371	6,328,901
Vehicles	1,433,902	148,648	127,125	1,455,425
Total accumulated depreciation	102,819,673	4,890,750	142,496	107,567,927
Net capital assets being depreciated	109,660,670	3,511,014	8,027	113,163,657
Business-type capital assets, net	\$ 115,311,382	\$ 7,605,823	\$ 5,441,474	\$ 117,475,731

Depreciation expense was charged to programs as follows:

Governmental activities:

General government	\$ 147,713
Public safety	437,070
Public works	4,798,469
Sanitation	446,895
Parks and recreation	503,101
Library	447,254
Airport	75,686
Transportation	170,754
Other functions	9,622

Total governmental activities \$ 7,036,564

Business-type activities:

Civic Arena	\$ 311,705
Landfill	744,304
Senior Housing	503,871
Golf course	180,115
Parking system	36,880
Wastewater	1,635,645
Water	1,478,230

Total business-type activities \$ 4,890,750

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Note 8 - Construction Commitments

The City had active construction projects as of June 30, 2016. The projects included sidewalk, streets, senior housing, wastewater, and water system projects.

At year end, the City's commitments with contractors were as follows:

	<u>Spent to Date</u>	<u>Remaining Commitment</u>
General construction projects	\$ 1,202,348	\$ 38,433
Street projects	2,937,119	1,305,082
Storm projects	9,429	1,305
Senior housing projects	115,703	159,091
Wastewater projects	83,057	109,883
Water projects	<u>1,035,416</u>	<u>676,310</u>
Total	<u>\$ 5,383,072</u>	<u>\$ 2,290,104</u>

Note 9 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Sanitary Landfill	Internal Service Funds	\$ 21,258
Nonmajor governmental funds	Nonmajor governmental funds	<u>94,183</u>
		<u>\$ 115,441</u>

The balance owing from the Midland Housing Fund to the Community Development Block Grant (CDBG) Fund represents remaining balances on mortgages subsidized by the CDBG fund. The remaining interfund balance resulted from loans made for working capital purposes.

Advances at year end are as follows:

<u>Advances to other funds</u>	<u>Advances from other funds</u>	<u>Amount</u>
Sanitary Landfill	Renewable Energy Services	<u>\$ 309,025</u>

Payments of \$22,910 including interest at 0.5% are due annually for the advance between the Sanitary Landfill Fund and Renewable Energy Services Fund. Future principal payments are as follows, which include the current amount of \$21,258 recorded in interfund balances:

<u>Year ending June 30,</u>	
2017	\$ 21,258
2018	21,365
2019	21,472
2020	21,579
2021	21,687
2022-2026	110,071
2027-2030	<u>112,851</u>
Total	<u>\$ 330,283</u>

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The detail for interfund transfers is as follows:

	Transfers Out													Total
	General Fund	Major Street Fund	Local Street Fund	City Center Authority Fund	Community Development Block Grant Fund	Special Activities Fund	Downtown Development Authority Fund	Debt Service Fund	Washington Woods Fund	Riverside Place Fund	Water Fund	Wastewater Fund	Special Assessment Revolving Fund	
Transfers In														
General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,424	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,091	\$ 415,15
Major Street Fund	15,000	-	-	104,000	-	-	-	-	-	-	-	-	-	119,000
Local Street Fund	65,000	2,705,000	-	-	-	-	-	-	-	-	-	-	-	2,770,000
Stormwater Management Fund	730,000	101,299	104,095	-	-	-	-	-	-	-	-	-	-	935,394
Grace A. Dow Memorial Library Fund	602,420	-	-	-	-	-	-	-	-	-	-	-	-	602,420
Dial-a-Ride Fund	518,283	-	-	-	-	-	-	-	-	-	-	-	-	518,283
Downtown Development Authority Fund	10,000	-	-	-	-	-	-	-	-	-	-	-	-	10,000
Special Activities	-	-	-	-	-	-	5,000	-	-	-	-	-	-	5,000
Debt Service Fund	1819,724	-	-	-	-	-	-	-	-	-	-	-	-	1,819,724
Civic Arena Fund	425,000	-	-	-	-	-	-	-	-	-	-	-	-	425,000
Washington Woods Fund	-	-	-	-	100,969	-	-	-	-	23,927	-	-	-	124,896
Riverside Place Fund	-	-	-	-	-	-	-	-	7,551	-	-	-	-	7,551
Currie Golf Course Fund	540,000	-	-	-	-	-	-	-	-	-	-	-	-	540,000
Parking Fund	28,500	-	-	-	-	-	45,000	-	-	-	-	-	-	73,500
Wastewater Fund	-	-	-	-	-	-	-	822,662	-	-	-	-	-	822,662
Renewable Energy Fund	-	-	-	-	-	-	-	-	-	-	-	60,000	-	60,000
Special Assessment Revolving Fund	-	-	-	-	-	-	-	-	-	-	6,019	9,475	-	15,494
Total	<u>\$ 4,753,927</u>	<u>\$ 2,806,299</u>	<u>\$ 104,095</u>	<u>\$ 104,000</u>	<u>\$ 100,969</u>	<u>\$ 2,424</u>	<u>\$ 50,000</u>	<u>\$ 822,662</u>	<u>\$ 7,551</u>	<u>\$ 23,927</u>	<u>\$ 6,019</u>	<u>\$ 69,475</u>	<u>\$ 39,091</u>	<u>\$ 8,890,439</u>

The transfers from the General Fund to the Major Street, Local Street, Stormwater Management, Library, Dial-A-Ride, Downtown Development Authority, Civic Arena, Currie Municipal Golf Course and Parking Funds represent the use of unrestricted resources to finance these programs, in accordance with the budgetary operations. The transfer from the General Fund to the Debt Service Fund is to provide funding for the debt service payments for the 2008 Judgment bonds.

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The transfers from the Major Street Fund to the Local Street Fund represent the sharing of gas and weight tax in accordance with Act 51, as well as sharing the 1-mill County Road Millage that is accounted for in the City's Major Street Fund. Both the Major Street Fund and the Local Street Fund transfer funding to the Stormwater Management Fund to offset roadside drainage costs that are accounted for in that fund. The transfer from the Center City Authority Fund to the Major Street Maintenance Fund is for work performed in the Center City district by the Major Street Fund.

The transfers from Community Development Block Grant Fund to Washington Woods Fund are for grant funding as approved by HUD. The transfers from the Special Activities Fund to the General Fund transfers in accordance with budgetary authorization. The transfer from the Downtown Development Authority Fund to the Parking Fund is an annual contribution made by the DDA to help fund parking enforcement and related activities within the downtown district. The transfer from Downtown Development Authority Fund to Special Activities Fund is to fund some Special Activity programs run by the Downtown Development Authority Fund. The transfer from the Debt Service Fund to the Wastewater Fund is necessary to transfer an additional millage for debt retirement to the Wastewater Fund, which is the fund that accounts for the related debt. The transfers from the Washington Woods Fund to the Riverside Place Fund represent fund transfers in accordance with budgetary authorization. The transfers from the Riverside Place Fund to the Washington Woods Fund represent fund transfers in accordance with budgetary authorization. The transfers from the Wastewater Fund to the Renewable Energy Fund were to provide assistance for start-up costs in the Fund's operations. The transfers from the Wastewater Fund and Water

Funds to the Special Assessment Revolving fund was for a special assessment refunding roll. The transfers from the Special Assessment Revolving Fund to the General Fund is for Special Assessments related to construction projects in the General fund.

Note 10 - Leases

Operating Leases

The City leases its police facility and landfill equipment under non-cancelable operating leases. Total costs for such leases were \$252,225 for the year ended June 30, 2016. According to the terms of its lease with the Midland City/County Joint Building Authority, the City's obligation for operating leases amounts to 64.8 percent of total operating expenses of the police facility.

The future minimum lease payments for these leases, including estimates of obligations under the police facility lease, are as follows:

<u>Year ending June 30,</u>	
2017	\$ 258,940
2018	266,708
2019	274,709
2020	282,950
2021	291,439
2022-2026	<u>1,593,707</u>
Total	<u>\$ 2,968,453</u>

City of Midland, Michigan
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Note 11 - Long-Term Debt

Long-term obligation activity is summarized as follows:

	Amount of Issue	Maturity Date	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities									
Bonds and notes payable									
General obligation bonds									
2008 Judgment Funding Bonds	\$ 17,890,000	Sept. 2023	4.125%	\$1,220,000 - \$1,270,000	\$ 10,810,000	\$ -	\$ 8,320,000	\$ 2,490,000	\$ 1,220,000
2010 Renewable Energy*	6,000,000	October 2031	2.50%	\$265,000 - \$375,000	5,025,000	-	260,000	4,765,000	265,000
Bond discount - 2008 Judgment					(113,193)	-	(113,193)	-	-
2016 Judgment Refunding Bonds	7,725,000	May '2023	1.50%	\$145,000 - \$1,530,000	-	7,725,000	-	7,725,000	145,000
Total bonds payable					15,721,807	7,725,000	8,466,807	14,980,000	1,630,000
Compensated absences					3,638,783	1,928,686	1,895,007	3,672,462	2,042,211
Total governmental activities					\$ 19,360,590	\$ 9,653,686	\$ 10,361,814	\$ 18,652,462	\$ 3,672,211
Business-type activities									
Bonds and notes payable									
General obligation bonds									
2001 Sewer Construction - State Revolving Fund	\$ 5,130,000	May 2022	2.50%	\$275,000 - \$304,063	\$ 2,004,064	\$ -	\$ 265,000	\$ 1,739,064	\$ 275,000
2012 Civic Arena Refunding Bonds	4,550,000	May 2030	.70 - 3.55%	\$240,000 - \$304,063	4,215,000	-	235,000	3,980,000	240,000
2015 Sewer Refunding Bonds	5,965,000	May 2021	1.69%	\$975,000 - \$1,040,000	5,965,000	-	930,000	5,035,000	975,000
Total bonds payable					12,184,064	-	1,430,000	10,754,064	1,490,000
Compensated absences					897,481	430,996	583,447	745,030	423,265
Landfill closure and postclosure					3,883,000	115,000	-	3,998,000	-
Total business-type activities					\$ 16,964,545	\$ 545,996	\$ 2,013,447	\$ 15,497,094	\$ 1,913,265

*Recorded in internal service funds.

Compensated absences are normally liquidated by the fund in which the individual employees are budgeted. For governmental activities, the following funds have been used for liquidation: General Fund, Grace A. Dow Memorial Library Fund, Midland Community Television Fund, Dial-A-Ride Fund, and the Downtown Development Authority Fund. Also included in the governmental activities are the following internal service funds: Information Services Fund, Equipment Revolving, Fund and the Municipal Service Center Fund.

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On May 19, 2008, the City Council authorized the issuance of \$17,890,000 limited tax general obligation judgment bonds for the purpose of paying a part of a tax refund to The Midland Cogeneration Venture (MCV), as ordered by the Michigan Tax Tribunal's Consent Judgment, dated April 18, 2008. The sale of the bonds occurred on June 17, 2008, with the City taking possession of the proceeds on July 10, 2008, and issuing the refund to MCV on July 17, 2008. Future funding for this bond's debt service will come from the General Fund. These bonds were partially refunded on June 14, 2016.

The 2001 Sewer Construction Bonds were approved by the voters in a general election held on February 22, 2000. The City Council has approved a resolution to levy a millage to pay approximately 60 percent of the principal and interest cost of these bonds. The 40 percent balance of the obligation is to be repaid by fees from the users of the municipal sanitary sewage collection and treatment system. The proceeds were being used for construction of sewer facilities recorded in the Wastewater Fund. On September 12, 2005, General Obligation Unlimited Tax Bonds were issued to refund \$9,025,000 of the outstanding bond.

On December 3, 2001, the City Council authorized issuance of general obligation limited tax bonds, series 2001, in the principal sum not to exceed \$5,130,000. The purpose of this issuance was to fund the construction of a storm water retention basin at the wastewater treatment plant. User fees will fund 40 percent of the principal and interest on these bonds and the remaining 60 percent will be funded by a millage that the City has levied. The full faith and credit and the limited taxing power of the City are pledged for payment of the principal and interest thereon.

On September 12, 2005, the City issued \$9,480,000 of General Obligation Unlimited Tax Refund Bonds. The bonds were issued pursuant to resolutions adopted by the City Council on July 11, 2005 and August 22, 2005, and provide for an average interest rate of 3.95 percent. The proceeds of these bonds were used to advance refund

\$9,025,000 of outstanding 2001 General Obligation Unlimited Bonds with an average interest rate of 5.07 percent. These bonds were refunded again on February 3, 2015.

On June 13, 2012, the City issued \$4,550,000 of General Obligation Unlimited Tax Refund Bonds. The bonds provide for an interest rate of .70 to 3.55 percent. The proceeds of these bonds were used to advance refund \$4,325,000 of outstanding 2004 General Obligation Unlimited Bonds with an interest rate of 3.75 to 4.75 percent.

On February 3, 2015, the City issued \$5,965,000 of General Obligation Unlimited Tax Refund Bonds. The bonds were issued pursuant to resolutions adopted by the City Council on November 24, 2014, and provide for an average interest rate of 1.69 percent. The proceeds of these bonds were used to advance refund \$5,910,000 of outstanding 2005 General Obligation Unlimited Bonds with an average interest rate of 3.90 percent.

On June 14, 2016, the City issued \$7,725,000 of General Obligation Unlimited Tax Refund Bonds. The bonds were issued pursuant to resolutions adopted by the City Council on May 23, 2016 and provide for an interest rate of 1.50 percent. The proceeds of these bonds were used to advance refund \$7,145,000 of outstanding 2008 General Obligation Unlimited Bonds with an average interest rate of 4.30 percent.

The City has pledged its full faith and credit on the bonded indebtedness of the Saginaw-Midland Municipal Water Supply Corporation, a jointly owned raw water system described in Note 1 – Summary of Significant Accounting Policies.

By statute, the City's general obligation debt is restricted to 10 percent of the equalized value of all property in the City. Certain obligations, such as water revenue refunding bonds, are not subject to this limitation. At June 30, 2016, the City's general obligation debt statutory and legal debt limit amounted to \$258,823,810 and the

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indebtedness subject to the limitation aggregated \$25,734,064.

Annual debt service requirements to maturity for the above obligations are as follows:

Fiscal Year Ending June 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2017	\$ 1,630,000	\$ 311,929	\$ 1,490,000	\$ 240,456
2018	1,670,000	271,410	1,510,000	213,684
2019	1,730,000	210,197	1,535,000	185,333
2020	1,755,000	181,385	1,570,000	156,200
2021	1,785,000	152,085	1,605,000	125,753
2022 - 2026	4,620,000	373,911	1,734,064	382,065
2027 - 2031	1,790,000	96,887	1,310,000	127,072
	<u>\$ 14,980,000</u>	<u>\$ 1,597,804</u>	<u>\$ 10,754,064</u>	<u>\$ 1,430,563</u>

Advanced Refunding

On June 14, 2016, the City issued general obligation bonds of \$7,725,000 (par value) with an interest rate of 1.50% to advance refund term bonds with an interest rate of 3.85 – 4.15% and a par value of \$7,145,000. The term bonds mature on May 1, 2023, respectively. After issuance costs of \$59,931, the net proceeds were \$7,662,587. The net proceeds from the issuance of the general obligation bonds were deposited with an escrow agent to provide debt service payments until the term bonds mature. The advance refunding met the requirements of an in-substance debt defeasance and the term bonds were removed from the City's financial statements.

As a result of the advance refunding, the City reduced its total debt service requirements by \$432,875, which resulted in an economic gain of \$412,845.

Deferred Amount of Debt Refunding

The City issued bonds in 2012 to advance refund and retire previously issued term bonds. The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt. This amount is reported in the accompanying statement of net position as a deferred outflow of resources and is being charged to activities through the fiscal year.

Deferred amount on refunding activity is summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental activities				
2016 Judgment				
Refunding Bonds	\$ -	\$ 630,780	\$ -	\$ 630,780
Business-type activities				
2012 Civic Arena				
Refunding Bonds	\$ 288,830	\$ -	\$ 19,256	\$ 269,574

Defeased Debt

In the current and prior years, the City defeased bonds issued by creating separate irrevocable trust funds. New debt was issued and the net proceeds of the refunding was placed in special escrow accounts and invested in securities of the U.S. Government and its agencies. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the refunded bonds are considered to be defeased. Accordingly, the trust account assets and liability for the defeased bonds are not included in the City's financial statements. At June 30, 2016, \$13,430,000 of bonds outstanding are considered defeased.

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Note 12 - Landfill Closure and Postclosure Care Cost

State and federal laws and regulations require the City to place a final cover on its sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and post closure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and post closure care costs as operating expense in each period based on landfill capacity used as of each year end. The \$3,998,000 reported as landfill closure and post closure care liability at June 30, 2016 represents the cumulative amount reported to date based on the use of 100 percent of the capacity of Area A (32 acres closed in 1993) and cells 1 through 13 (40.2 acres closed in 2005), cell 14 (12.6 acres), 92 percent of the estimated capacity of cell 15, and 27 percent of the estimated capacity of cell 16.

The City will recognize the remaining estimated cost of closure and post closure care of \$787,614 as the remaining capacity of cells 15 and 16 are filled.

These amounts are based on what it would cost to perform all closure and postclosure care in current dollars. The City expects to reach 100 percent capacity in cell 15 during the fiscal year ending June 2017 and in cell 16 during the fiscal year ending June 30, 2023. The actual cost may be higher due to inflation, changes in technology, or changes in regulations.

The City is required by state and federal laws and regulations to make contributions to a Trust to finance closure and postclosure care. The City is in compliance with these requirements, and at June 30, 2016, cash and cash equivalents in the amount of \$2,219,269 were held for these purposes, and reported as restricted assets on the statement of net position. The City expects that future inflation costs will be paid from interest earnings on these contributions. However, if interest earnings are inadequate or additional postclosure care requirements

are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by charges to future landfill users or from future tax revenue.

The City has also entered into an agreement to provide a letter of credit in favor of the State of Michigan to fulfill certain bonding requirements imposed upon the City, by Michigan law.

Note 13 - Restricted Cash

Cash and cash equivalents are restricted within the Water and Wastewater Funds for future debt service obligations in the amounts of \$93,680 and \$1,272,305, respectively. Within each of these funds, an offsetting liability "payable from restricted assets" designates the separation of these assets from unreserved assets. In addition, the Landfill Fund has \$2,219,269 of restricted assets that are for closure and postclosure costs.

Note 14 - Employee Retirement and Benefit Systems**Police and Fire Pension System**

Plan Description – The Police and Fire Pension System is a single-employer defined benefit pension plan that is administered by the City of Midland Police and Fire Employees Retirement System. This plan covers all police and fire employees of the City. The system provides retirement, disability, and death benefits to plan members and their beneficiaries. At December 31, 2015, the date of the most recent actuarial valuation, membership consisted of 137 retirees and beneficiaries currently receiving benefits, 3 inactive and non-retired members, and 91 current active employees. The plan does not issue a separate financial report.

Funding policy – The obligation to contribute to and maintain the system for these employees was established by negotiation with the City's collective bargaining units and requires a contribution from the employees of 8 percent of gross wages from all employees. The

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City's funding policy provides for biweekly employee contributions and monthly employer contributions at actuarially determined rates. Administrative costs of the plan are financed through investment earnings. The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Contributions – Plan member contributions are recognized in the period in which the contributions are due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Please refer to Note 1 for further significant accounting policies

Accounting policy – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the System has been determined on the same basis as they are reported by the City. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

As of December 31, 2015, the plan's legally required reserves have been fully funded as follows:

Reserves:	
Reserve for employees' contributions	\$ 5,522,377
Reserve for employer contributions	2,184,010
Reserve for retired benefit payment	52,105,644

Net pension liability – The City's net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated

December 31, 2015 using the following actuarial assumptions applied to all periods included in the measurement:

Inflation	3%	
Salary increases	4% to 9.2%	including inflation
Investment rate of return	7%	net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Mortality Table projected 10 years. The actuarial assumptions used in the December 31, 2014 valuation were based on the results of an actuarial experience study for the period of 2002-2017, with an additional table added in the 2011 valuation for members hired after July 1, 2011.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2016 are summarized in the following table:

Asset Class	Target Allocation	Long-term Projected Rate of Return
U.S. large cap equity	30.00%	7.00%
U.S. mid cap	8.00%	7.50%
U.S. small cap	8.00%	8.00%
International/EM equity	19.00%	6.40%
Cored fixed income	25.00%	2.90%
Alternative investments	10.00%	3.90%

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A single discount rate of 7.00 percent was used to measure the total pension liability. This single discount rate was based on an expected rate of return on pension plan investments of 7.00 percent and municipal bond rate of 3.80 percent. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate.

Changes in net pension liability:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Opening balances	<u>\$ 78,947,095</u>	<u>\$ 60,910,340</u>	<u>\$ 18,036,755</u>
Changes for the year			
Service cost	1,818,607	-	1,818,607
Interest	5,401,449	-	5,401,449
Difference between expected and actual experience	465,691	-	465,691
Employer contributions	-	2,557,242	(2,557,242)
Employee contributions	-	596,652	(596,652)
Net investment income	-	(1,252,024)	1,252,024
Benefit payments, including refunds of employee contributions	<u>(5,385,686)</u>	<u>(5,385,686)</u>	<u>-</u>
Net changes	<u>2,300,061</u>	<u>(3,483,816)</u>	<u>5,783,877</u>
Closing balances	<u><u>\$ 81,247,156</u></u>	<u><u>\$ 57,426,524</u></u>	<u><u>\$ 23,820,632</u></u>

The City's annual money-weighted rate of return, net of investment expenses is 4.38%. The plan's net position as a percent of total pension liability is (2.09%).

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 7.00 percent, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is one percentage point lower or one percentage point higher:

	1% Decrease 6.00%	Current Single Rate 7.00%	1% Increase 8.00%
Total pension liability	\$ 90,819,493	\$ 81,247,156	\$ 73,235,376
Plan fiduciary net position	<u>57,426,524</u>	<u>57,426,524</u>	<u>57,426,524</u>
Net pension liability	<u><u>\$ 33,392,969</u></u>	<u><u>\$ 23,820,632</u></u>	<u><u>\$ 15,808,852</u></u>

Deferred outflows of resources related to pensions – For the year ended June 30, 2015, the employer reported deferred outflows of resources related to pensions from the following sources:

	Deferred outflows of resources
Difference between expected and actual experience	\$ 818,563
Net difference between projected and actual earnings on pension plan investments	<u>5,285,191</u>
Total	<u><u>\$ 6,103,754</u></u>

City of Midland, Michigan
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Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30,	
2017	\$ 1,661,540
2018	1,661,540
2019	1,608,280
2020	<u>1,172,394</u>
Total	<u>\$ 6,103,754</u>

Municipal Employee's Retirement System of Michigan – Defined Benefit Retirement Plan

Plan description – The City participates in the Michigan Municipal Employees' Retirement System (MERS), an agent multiple-employer defined benefit pension plan that covers substantially all employees of the City other than police and fire employees and employees hired on or after July 1, 2005. The system provides retirement, disability and death benefits to plan members and their beneficiaries. MERS issues a publicly available financial report that includes financial statements and required supplementary information for the system. That report may be obtained by writing to MERS at 1134 Municipal Way, Lansing, Michigan 48917 or on the web at <http://www.mersofmich.com>.

Benefits provided – Benefits provided include plans with multiplier of 2.50%. Vesting period is 10 years. Normal retirement age is 60 with early retirement at 55 with range of 15 to 20 years of service. Final average compensation is calculated based on 3 to 5 years. Member contributions range from 0% to 5%.

Employees covered by benefit terms – At the December 31, 2015 valuation date, the following employees were covered by benefit terms:

Inactive employees or beneficiaries currently receiving benefits	312
Inactive employees entitles to but not yet receiving benefits	26
Active employees	<u>117</u>
	<u><u>455</u></u>

Contributions – The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by MERS Retirement Board. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees. Employer contributions range from 15.06% to 57.01% based on annual payroll for open divisions.

Net pension liability – The employer's net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an annual actuarial valuation as of that date.

Actuarial assumptions – The total pension liability in the December 31, 2015 annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement include: 1) Inflation 2.5%; 2) Salary increases of 3.75% in the long-term; 3) Investment rate of return of 7.75%, net of investment expense, including inflation.

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Although no specific price inflation assumptions are needed for the valuation, the 3.75% long-term wage inflation assumption would be consistent with a price inflation of 2.5%.

Mortality rates used were based on the 2014 Group Annuity Mortality Table of a 50% male and 50% female blend. For disabled retirees, the regular mortality table is used with a 10-year set forward in ages to reflect the higher expected mortality rates of disabled members.

The actuarial assumptions used in valuation were based on the results of the most recent actuarial experience study prepared as of December 31, 2015.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment and administrative expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates or arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global equity	57.5%	5.02%
Global fixed income	20.0%	2.18%
Real assets	12.5%	4.23%
Diversifying strategies	10.0%	6.56%

Discount rate – The discount rate used to measure the total pension liability is 8.00%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plans fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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Change in the net pension liability:

Total Pension Liability

Service cost	\$ 1,111,759
Interest on the total pension liability	10,620,508
Experience differences	(1,004,050)
Changes in actuarial assumptions	7,206,009
Other changes	1
Benefit payments and refunds	<u>(8,903,860)</u>
Net change in total pension liability	9,030,367
Total pension liability - beginning	<u>132,629,483</u>

Total pension liability - ending (a) \$ 141,659,850

Plan Fiduciary Net Position

Employer contributions	\$ 5,382,318
Employee contributions	122,197
Pension plan net investment income	(1,123,214)
Benefit payments and refunds	(8,903,860)
Pension plan administrative expense	<u>(166,307)</u>
Net change in plan fiduciary net position	(4,688,866)

Plan fiduciary net position - beginning 77,209,112

Plan fiduciary net position - ending (b) 72,520,246

Net pension liability (a-b) \$ 69,139,604

Plan fiduciary net position as a percentage of total pension liability 51.19%

Covered employee payroll \$ 7,759,320

Net pension liability as a percentage of covered employee payroll 891.05%

Sensitivity of the net pension liability to changes in the discount rate – The following presents the net pension liability of the City, calculated using the discount rate of 8.00%, as well as what the employer's net pension liability would be using a discount rate that is 1% point lower (7.00%) or 1% higher (9.00%) than the current rate.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Total pension liability	\$ 156,700,052	\$ 141,659,850	\$ 128,867,401
Fiduciary net position	<u>72,520,246</u>	<u>72,520,246</u>	<u>72,520,246</u>
Net pension liability	<u>\$ 84,179,806</u>	<u>\$ 69,139,604</u>	<u>\$ 56,347,155</u>

Pension expense and deferred outflows (inflows) of resources related to pensions – For the year ended June 30, 2016, the City recognized pension expense of \$5,516,947. The City reported deferred outflows and deferred inflows related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences in experience	\$ -	\$ (502,025)
Differences in assumptions	3,603,004	-
Net difference between projected and actual earnings on pension plan investments	6,709,989	-
Contributions subsequent to the measurement date*	<u>3,149,942</u>	<u>-</u>
Total	<u>\$ 13,462,935</u>	<u>\$ (502,025)</u>

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the year ending 2017.

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Amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30,	
2017	\$ 4,847,917
2018	1,746,938
2019	1,746,938
2020	<u>1,469,175</u>
Total	<u>\$ 9,810,968</u>

Municipal Employee's Retirement System of Michigan – Defined Contribution Retirement Plan

The City participates in the Municipal Employee's Retirement System of Michigan (MERS) defined contribution plan for all employees hired on or after July 1, 2005, with the exception of police and fire employees. In the defined contribution plan, benefits depend solely on the amounts contributed to the plan plus investment earnings. Employees are eligible to participate from the date of employment. As established by City Council resolution, the City contributes 5 percent of the employee's gross earnings in the plan. The employee is fully vested after five years of service or at age 65.

The City's total payroll during the current year was \$25,205,068. The current year contribution was calculated based on covered payroll of \$6,140,976, resulting in an employer contribution of \$307,052. Employee contributions were \$0.

International City/County Management Association (ICMA) – RC 457 – Deferred Compensation Plan

The City also participates in an ICMA-RC 457 deferred compensation plan for all employees hired on or after July 1, 2005, with the exception of police and fire employees. In the deferred compensation plan, benefits depend solely on the amounts contributed to the plan plus investment earnings. Employees are eligible to participate from the date of employment. As established by City Council resolution,

the City will contribute up to 7 percent of the employee's wages with 100 percent matching of the employee wage contributions, in 1 percent increments.

The City's total payroll during the current year was \$25,205,068. The current year contribution was calculated based on covered payroll of \$6,140,976, resulting in an employer contribution of \$329,797 and employee contributions of \$329,797.

Note 15 - Postemployment Benefits

The City provides postemployment healthcare coverage under a traditional insured plan to retired employees and their qualified spouses and other dependents, as mandated by collective bargaining agreements. The trust assets are invested in a mutual vehicle qualified for the purpose and managed by the Municipal Employees Retirement System of Michigan (MERS). Each agreement contains variations of the following general guidelines. Most employees fall into one of the following general groups:

The first group of employees will be enrolled in the comprehensive medical plan available at the time of retirement. The City will pay 100 percent of the premium for retiree, spouse, and family.

The second group of employees will be eligible for continued medical coverage when they retire from the City, providing they pay 50 percent of the premium. The City will pay the other 50 percent.

The third group, employees hired on or after July 1, 2005, excluding police and fire employees, will not be eligible to be included in the City's group health insurance plan. For those employees, the City will contribute 2 percent of the employee's wages into a healthcare savings program.

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The City funds the retiree health insurance on a “pay as you go” basis. The net cost to the City for providing postemployment health care coverage for the three most recent fiscal years is as follows:

<u>Year</u>	<u>Number of Retirees</u>	<u>Amount</u>
2014	379	\$ 4,829,226
2015	389	5,058,810
2016	392	5,994,594

MERS acts as a fiduciary, investing and managing funds for the future payment of postemployment healthcare coverage for the City.

The covered wages for the retiree health post employment for the fiscal year were \$11,589,638.

Health Care Savings Program

The City participates in the Municipal Employee’s Retirement System of Michigan (MERS) healthcare savings program for all employees hired on or after July 1, 2005, with the exception of police and fire employees. In the healthcare savings program, benefits depend solely on the amounts contributed to the plan plus investment earnings. Employees are eligible to participate from the date of employment. As established by City Council resolution, the City contributes 2 percent of the employee’s gross earnings in the program. The employee is fully vested after three years of service.

The City’s total payroll during the current year was \$25,205,068. The current year contribution was calculated based on covered payroll of \$6,139,363, resulting in an employer contribution of \$122,788.

Police employees hired on or after July 1, 2011 are not eligible to participate in the City retiree health insurance plan. Employees hired after these dates participate in a Health Care Savings Program. Contributions in the program consist of 2% of the employee’s wages by the City and employees for a total of 4%. The 2% employee contribution is mandatory. A vesting period of 3 years will apply for all employer contributions to the Health Care Savings Program.

The current year contribution was calculated based on a covered payroll of \$1,038,076, resulting in an employer contribution of \$20,762 and employee contributions of \$20,762.

Fire employees hired on or after November 14, 2011 are not eligible to participate in the City retiree health insurance plan. In lieu of participation in the City retiree health insurance plan, employees shall participate in a Health Savings Account (HSA) to accumulate funds for post-employment health care costs. The City shall contribute 2% of compensation to the HSA. An employee contribution to the HSA will not be available effective July 1, 2013.

The current year contribution was calculated based on a covered payroll of \$718,521 resulting in an employer contribution of \$14,370 and employee contributions of \$0.

Other Postemployment Benefits

Plan description. The City of Midland’s Retiree Healthcare Plan (the “Plan”) is a single-employer defined benefit healthcare plan administered by the City. The Plan provides 100% of health insurance benefits to eligible retirees and their dependents. The benefit is provided upon general administrative employees attaining 55 years of age, with 20 years of service to the City, and public safety employees are eligible with 25 years of service regardless of age. The City established a retirement health savings trust to account for the Plan.

Funding policy. The contribution requirements of Plan members and the City are established and may be amended by the City Council. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually by the City. For the year ended June 30, 2016, the City contributed \$5,069,409 to the plan which was the Annual Required Contribution (ARC). Beginning with the fiscal year ending June 30, 2009, the City was required to begin recognizing expenses for OPEB costs in the government-wide and proprietary fund financial statements based on an actuarially determined annual required contribution (ARC).

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Annual OPEB Cost and Net OPEB Obligation. The City's other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarially accrued liabilities (or funding excess) over a period not to exceed thirty years.

The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the City's net OPEB obligation:

Annual required contribution	\$ (5,069,409)
Contributions made to OPEB Trust	<u>5,069,409</u>
Change in net OPEB obligation	-
Net OPEB liability, beginning of year	<u>-</u>
Net OPEB liability, end of year	<u><u>\$ -</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2016 is as follows:

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2016	\$ 5,069,409	100%	\$ -
6/30/2015	5,097,424	100%	-
6/30/2014	5,103,471	100%	-

Funded status and funding progress. As of June 30, 2014 the date of the most recent actuarial valuation, the Plan was 46.2% funded. The actuarial accrued liability for benefits was \$85,125,933, and the

actuarial value of assets was \$39,331,790, resulting in an unfunded actuarial accrued liability (UAAL) of \$45,794,143.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial methods and assumptions. Projections of benefits for financial reporting purposes are based on the substantive Plan (the Plan as understood by the employer and the Plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and Plan members to the point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2014 actuarial valuation, the individual entry age actuarial cost method was used. The actuarial assumptions includes: (a) a rate of return on investments of 8.0%; (b) projected salary increases of 4.0% attributable to inflation; (c) additional projected salary increases ranging from .3% to 13.0%, depending on age, attributable to seniority/merit; and (d) projected healthcare benefit increases of 4.0% to 9%. The actuarial value of assets is set to the reported market value of the assets. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll over 24 years. The plan is open.

City of Midland, Michigan
Notes to the Financial Statements
June 30, 2016

Note 16 - Claims, Litigation, and Other Contingencies

In the normal course of its activities, the City becomes a party in various legal actions. Although some actions have been brought for large amounts, the City has not generally experienced significant losses or cost. City management is of the opinion that the outcome of such actions will not have a material effect on the financial position of the City.

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

Note 17 - Enterprise Fund Contractual Revenue

The City supplies large quantities of water to Dow Chemical Company and Dow Corning Corporation under contractual arrangements with each company. Under the Dow Chemical Supplemental Agreement dated March 1, 1979, and the Dow Corning Agreement dated July 15, 1985, the companies agree to pay for the variable cost of industrial grade water. In addition, the companies agree to pay a percentage of certain fixed costs, including the principal and interest costs on debt incurred by the City related to plant expansions necessary to meeting the companies' special requirements. These fixed cost payments are due in monthly installments until the bonds of the Saginaw-Midland Municipal Water Supply Corporation are paid in full.

The payment percentage is based upon the cost of the facilities required to meet the companies' exact capacity requirements relative to the total cost of the City's initial capacity requirements.

The percentage of the bond principal and interest payments reimbursed by each company follows:

	Percentage	
	Dow Chemical Company	Dow Corning Corporation
2009 Saginaw-Midland - Water Refunding Bonds	34.00%	4.20%
2012 Saginaw-Midland - Water Refunding Bonds	34.00%	4.20%
2013 Saginaw-Midland - Water Revenue Bonds	34.00%	4.20%

Total payments received under these agreements during the fiscal year were \$544,632, consisting of principal and interest of \$471,244 and \$73,388, respectively. These payments have been recorded as nonoperating revenue in the City's Enterprise Funds. Under the terms of these agreements, no equity accrues to either company.

Under the terms of the agreement with Dow Chemical Company, the Water Fund shall retain in a Dow Chemical Emergency Repair and Maintenance Fund, \$25,000 to fund Dow's share of non-budgeted repair, replacement, or improvements.

Note 18 - Urban Cooperation Act Agreement

Effective December 30, 1992, the City entered into a 30-year interlocal public agency agreement with the Township of Midland, as authorized by the provisions of Public Act 7 of the Public Acts of the State of Michigan of 1967 (Ex Sess) [MSA 5.4088(1) et seq; MCLA 124.501 et seq].

The agreement provides for (1) the orderly and uncontested annexation to the City of certain property then located in the Township; (2) future sharing, through the year 2022, of revenues derived from the City's levy of property taxes on certain property to be annexed under the agreement; (3) beginning in September 1993, and continuing through the year 2012, the sharing of revenues derived from the City's levy of property taxes on certain commercial and

City of Midland, Michigan
Notes to the Financial Statements
June 30, 2016

industrial property already located within the City; and (4) extension, at City cost, of water and sewer services by the City to the Township boundary.

The City's obligation under provision 3 above shall cease if and when total cumulative payments there under reach \$15,000,000. The amount of revenue sharing due to the Township by the City under this agreement during the year ended June 30, 2016 was \$130,808. The total cumulative payments from the City through June 30, 2016 were \$4,084,095.

Note 19 - Risk Management

The City is exposed to various risks of loss related to property loss, torts, errors and omissions and employee injuries (workers' compensation), as well as medical benefits provided to employees. The City has purchased commercial insurance for liability and property claims, airport liability, and pension fiduciary liability claims; it participates in the Michigan Municipal Workers' Compensation Pool for employee injury claims.

The Michigan Municipal League risk pool programs operate as common risk-sharing/management programs for local units of government in Michigan. Member premiums are used to purchase commercial excess insurance coverage and to pay member claims in excess of deductible amounts.

Beginning July 1, 2007, the City started a self-insurance program for health insurance, which is accounted for in the Health Insurance Fund (Internal Service Fund). An independent administrator (BCBS) processes the daily claims. The City has a \$40,000 stop-loss, per contract. There were no reductions to insurance coverage from the prior year. The cost for health care is charged out to other City funds through its payroll system based upon illustrative rates generated by BCBS. These charges, together with employee withholdings, are the source of revenue to the Health Insurance Fund. Settled claims for the past three years, including the current year, as well as the prior

two years relating to the commercial health insurance, have not exceeded the amount of insurance coverage.

The City estimates the liability for healthcare claims that have been incurred through the end of the fiscal year, including claims that have been reported as well as those that have not yet been reported.

The estimated liability is recorded in accrued and other liabilities in the Statement of Net Position. The estimated liability for the past two fiscal years is as follows:

	2016	2015
Unpaid claims - beginning of year	\$ 406,102	\$ 1,071,763
Incurred claims, including claims incurred but not reported	10,235,111	7,977,047
Claims paid	<u>(10,181,728)</u>	<u>(8,642,708)</u>
Unpaid claims - end of year	<u>\$ 459,485</u>	<u>\$ 406,102</u>

Note 20 - Subsequent Events

The Grace A Dow Memorial Library will be receiving a facelift during the 2017 calendar year. In October of 2016, the City received a pledge of \$250,000 from the Alden and Veda Dow Foundation, and in November, an additional \$190,000 from the Herbert H. and Grace A. Dow Foundation. The combined gifts will fully cover the cost of replacing the fascia around the library to restore it to its original appearance when it was first constructed. \$290,000 of the pledged gifts were received in December 2016, with the balance to be paid in the spring of 2017.

In November of 2016, the City was awarded a grant in the amount of \$4,620,000 from the Herbert H. and Grace A. Dow Foundation to help fund the Downtown Main Street and Street Scape renovation, which will begin in the spring of 2017. In December, the City received the

City of Midland, Michigan
Notes to the Financial Statements
June 30, 2016

first installment of \$2.5 million, with additional payments of \$1,560,000 and \$560,000 scheduled to be paid in December of 2017 and 2018, respectively.

In November of 2016, the City received \$9,314,154 for reimbursement of property tax revenue that was eliminated under the State of Michigan's recent tax reform that exempted certain eligible manufacturing personal property and small parcels of commercial personal property from assessed property taxes.

City of Midland, Michigan
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2016

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Taxes				
Property taxes	\$ 30,504,810	\$ 30,435,409	\$ 30,429,442	\$ (5,967)
Other taxes	39,000	39,000	36,351	(2,649)
Penalties and interest	100,000	124,369	77,406	(46,963)
Administration fee	925,000	1,034,460	1,034,343	(117)
Licenses and permits	416,100	454,035	562,722	108,687
Federal grants	4,925	535,243	193,149	(342,094)
State revenue sharing	3,514,000	3,350,902	3,370,108	19,206
State grants	40,000	758,413	933,615	175,202
Local contributions	100,000	434,000	402,648	(31,352)
Charges for services	2,305,985	2,296,085	2,318,386	22,301
Use and admission charges	271,065	284,226	320,406	36,180
Interest income	25,000	30,000	56,296	26,296
Rental income	68,515	74,398	74,573	175
Other revenue	979,900	1,004,380	1,034,105	29,725
Total revenues	<u>39,294,300</u>	<u>40,854,920</u>	<u>40,843,550</u>	<u>(11,370)</u>

City of Midland, Michigan
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2016

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Expenditures				
General government	\$ 6,960,398	\$ 6,705,459	\$ 6,335,081	\$ (370,378)
Public safety	16,940,996	16,609,554	16,543,084	(66,470)
Public works	2,932,767	2,897,297	2,685,273	(212,024)
Sanitation	3,096,050	3,129,210	3,058,597	(70,613)
Parks and recreation	5,353,075	5,496,095	5,313,123	(182,972)
Airport	337,320	312,906	288,406	(24,500)
Property tax appeals	547,000	841,000	634,724	(206,276)
Reserve for contingencies	400,000	159,108	-	(159,108)
Capital outlay	620,515	3,357,010	1,595,608	(1,761,402)
Total expenditures	37,188,121	39,507,639	36,453,896	(3,053,743)
Excess of revenues over expenditures	2,106,179	1,347,281	4,389,654	3,042,373
Other financing sources (uses)				
Proceeds from sale of capital assets	800	-	5,837	5,837
Transfer in	51,000	51,000	41,515	(9,485)
Transfers out	(5,373,271)	(5,131,195)	(4,753,927)	377,268
Total other financing sources (uses)	(5,321,471)	(5,080,195)	(4,706,575)	373,620
Net change in fund balance	(3,215,292)	(3,732,914)	(316,921)	3,415,993
Fund balance - beginning of year	12,919,060	12,919,060	12,919,060	-
Fund balance - end of year	\$ 9,703,768	\$ 9,186,146	\$ 12,602,139	\$ 3,415,993

City of Midland, Michigan
Required Supplementary Information
Budgetary Comparison Schedule
Major Street Fund
For the Year Ended June 30, 2016

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Taxes	\$ 4,200,000	\$ 4,200,000	\$ 4,411,948	\$ 211,948
Licenses and permits	88,000	80,000	125,125	45,125
Federal grants	2,000	2,000	1,073	(927)
Other State grants	2,950,000	3,107,000	3,193,970	86,970
Local contributions	50,000	50,000	-	(50,000)
Charges for services	194,589	183,361	135,718	(47,643)
Interest income	5,000	5,000	9,523	4,523
Other revenue	15,000	15,000	13,808	(1,192)
Total revenues	7,504,589	7,642,361	7,891,165	248,804
Expenditures				
Public works				
Engineering	206,292	249,598	215,719	(33,879)
Right of way inspections	15,760	10,808	10,014	(794)
Roadway maintenance	195,534	168,296	133,984	(34,312)
Guardrail maintenance	7,669	8,199	4,715	(3,484)
Sweeping and flushing	151,082	145,589	121,679	(23,910)
Shoulder maintenance	17,686	11,326	2,243	(9,083)
Roadside drainage	103,887	110,711	96,084	(14,627)
Curb and gutter maintenance	75,953	63,775	49,226	(14,549)
Roadside cleanup	19,435	21,555	19,079	(2,476)
Capital outlay	3,068,000	4,872,708	1,201,985	(3,670,723)
Snow and ice control	523,226	490,336	364,537	(125,799)
Stormwater activities credit	(120,922)	(125,746)	(101,299)	24,447
Trunkline maintenance	194,589	183,361	97,143	(86,218)
Other charges	1,000	1,000	-	(1,000)
Reserve for contingencies	25,000	25,000	-	(25,000)
Traffic services	510,577	561,045	516,094	(44,951)
Total public works	4,994,768	6,797,561	2,731,203	(4,066,358)
Excess of revenues over expenditures	2,509,821	844,800	5,159,962	4,315,162

City of Midland, Michigan
Required Supplementary Information
Budgetary Comparison Schedule
Major Street Fund
For the Year Ended June 30, 2016

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Other financing sources (uses)				
Transfers in	\$ 15,000	\$ 119,000	\$ 119,000	\$ -
Transfers out	<u>(2,825,922)</u>	<u>(2,830,746)</u>	<u>(2,806,299)</u>	<u>24,447</u>
Total other financing sources and (uses)	<u>(2,810,922)</u>	<u>(2,711,746)</u>	<u>(2,687,299)</u>	<u>24,447</u>
Net change in fund balance	(301,101)	(1,866,946)	2,472,663	4,339,609
Fund balance - beginning of year	<u>5,076,343</u>	<u>5,076,343</u>	<u>5,076,343</u>	<u>-</u>
Fund balance - end of year	<u><u>\$ 4,775,242</u></u>	<u><u>\$ 3,209,397</u></u>	<u><u>\$ 7,549,006</u></u>	<u><u>\$ 4,339,609</u></u>

City of Midland, Michigan
Required Supplementary Information
Municipal Employees Retirement System of Michigan
Schedule of Employer Contributions

Actuarial Valuation Date	Annual Determined Contribution	Annual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
12/31/2006	\$ 2,585,152	\$ 2,585,152	\$ -	\$ 12,537,515	20.62%
12/31/2007	2,682,994	2,682,994	-	12,173,842	22.04%
12/31/2008	2,953,178	2,953,178	-	11,873,441	24.87%
12/31/2009	3,065,297	3,065,297	-	11,011,467	27.84%
12/31/2010	3,356,011	3,356,011	-	10,363,303	32.38%
12/31/2011	3,676,496	3,676,496	-	9,897,469	37.15%
12/31/2012	3,917,669	3,917,669	-	9,227,199	42.46%
12/31/2013	4,433,654	4,433,654	-	8,741,747	50.72%
12/31/2014	4,968,967	4,968,967	-	8,685,943	57.21%
12/31/2015	5,382,317	5,382,317	-	7,759,320	69.37%

Notes: Actuarially determined contribution amounts are calculated as of December 31 each year, which is 6 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Individual entry-age
Amortization method	Fixed
Remaining amortization period	12 for closed divisions and 23 for open divisions
Asset valuation method	5-year smoothed value of assets
Inflation	2.50%
Salary increases	3.75%
Investment rate of return	7.75%
Retirement age	60
Mortality	2014 Group annuity mortality table of 50% male and 50% female blend

City of Midland, Michigan
Required Supplementary Information
Municipal Employees Retirement System of Michigan
Schedule of Changes in the City's Net Pension Liability and Related Ratios

Fiscal year ended June 30,	2016	2015
Total Pension Liability		
Service cost	\$ 1,111,759	\$ 1,243,931
Interest on the total pension liability	10,620,508	10,390,626
Experience differences	(1,004,050)	-
Changes in actuarial assumptions	7,206,009	-
Other changes	1	-
Benefit payments and refunds	(8,903,860)	(8,660,169)
Net change in total pension liability	9,030,367	2,974,388
Total pension liability - beginning	132,629,483	129,655,095
Total pension liability - ending (a)	<u>\$ 141,659,850</u>	<u>\$ 132,629,483</u>
Plan Fiduciary Net Position		
Employer contributions	\$ 5,382,318	\$ 4,968,968
Employee contributions	122,197	120,825
Pension plan net investment income (loss)	(1,123,214)	4,743,891
Benefit payments and refunds	(8,903,860)	(8,660,169)
Pension plan administrative expense	(166,307)	(173,596)
Net change in plan fiduciary net position	(4,688,866)	999,919
Plan fiduciary net position - beginning	77,209,112	76,209,193
Plan fiduciary net position - ending (b)	<u>72,520,246</u>	<u>77,209,112</u>
Net pension liability (a-b)	<u>\$ 69,139,604</u>	<u>\$ 55,420,371</u>
Plan fiduciary net position as a percentage of total pension liability	51.19%	58.21%
Covered employee payroll	\$ 7,759,320	\$ 8,685,943
Net pension liability as a percentage of covered employee payroll	891.05%	638.05%

*GASB Statement No. 68 was implemented for the fiscal year ended June 30, 2015 and does not require retroactive implementation. Data will be added as information is available until 10 years of such data is available.

City of Midland, Michigan
Required Supplementary Information
Municipal Employees Retirement System of Michigan
Schedule of the City's Net Pension Liability

Fiscal Year Ended June 30,	Total Pension Liability	Plan Net Position	Net Pension Liability	Plan Net Position as a % of Total Pension Liability	Covered Payroll	Net Pension Liability as a % of Covered Payroll
2015	\$ 132,629,483	\$ 77,209,112	\$ 55,420,371	58.21%	\$ 8,685,943	638.05%
2016	141,659,850	72,520,246	69,139,604	51.19%	7,759,320	891.05%

GASB Statement No. 68 was implemented for the fiscal year ended June 30, 2015 and does not require retroactive implementation. Data will be added as information is available until 10 years of such data is available.

City of Midland, Michigan
Required Supplementary Information
Police and Fire Retirement System

Schedule of Changes in the City's Net Pension Liability and Related Ratios

Fiscal year ended June 30,	2016	2015
Total pension liability		
Service cost	\$ 1,818,607	\$ 1,792,921
Interest on the total pension liability	5,401,449	5,239,339
Difference between expected and actual experience of the total pension liability	465,691	782,304
Benefit payments and refunds	(5,385,686)	(5,637,423)
Net change in total pension liability	2,300,061	2,177,141
Total pension liability - beginning of year	78,947,095	76,769,954
Total pension liability - end of year (a)	\$ 81,247,156	\$ 78,947,095
Plan fiduciary net position		
Employer contributions	\$ 2,557,242	\$ 2,466,484
Employee contributions	596,652	562,157
Pension plan net investment income (loss)	(1,252,024)	2,613,608
Benefit payments and refunds	(5,385,686)	(5,637,423)
Net change in plan fiduciary net position	(3,483,816)	4,826
Plan fiduciation net position - beginning of year	60,910,340	60,905,514
Plan fiduciation net position - end of year (b)	\$ 57,426,524	\$ 60,910,340
Net pension liability - ending (a) - (b)	\$ 23,820,632	\$ 18,036,755
Plan fiduciary net position as a percentage of total pension liability	70.68%	77.15%
Covered employee payroll	\$ 7,458,145	\$ 7,027,322
Net pension liability as a percentage of covered employee payroll	319.39%	256.67%

City of Midland, Michigan
Required Supplementary Information
Police and Fire Retirement System
Schedule of Net Pension Liability

Fiscal Year Ended June 30,	Total Pension Liability	Plan Net Position	Net Pension Liability	Plan Net Position as a % of Total Pension Liability	Covered Payroll	Net Pension Liability as a % of Covered Payroll
2015	\$ 78,947,095	\$ 60,910,340	\$ 18,036,755	77.15%	\$ 7,027,322	256.67%
2016	81,247,156	57,426,524	23,820,632	70.68%	7,458,145	319.39%

Note: Information from 2005 - 2014 is not available. Additional years will be presented on this schedule on a prospective basis.

City of Midland, Michigan
Required Supplementary Information
Police and Fire Retirement System
Schedule of Contributions

Fiscal Year Ended June 30,	Annual Determined Contribution	Annual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2014	\$ 2,572,418	\$ 2,572,418	\$ -	\$ 6,904,434	37.26%
2015	2,466,484	2,466,484	-	7,027,322	35.10%
2016	2,557,242	2,557,242	-	7,458,145	35.10%

Note: Information from 2005 - 2013 is not available. Additional years will be presented on this schedule on a prospective basis.

The information presented above was determined as part of the actuarial valuations at the date indicated above. Additional information as of December 31, 2015, the latest actuarial valuation, follows:

Actuarial cost method	Entry age
Amortization method	Level percent of payroll
Amortization period (perpetual)	24 years, closed
Asset valuation method	4-year smoothed market
Actuarial assumptions:	
Investment rate of return	7.0%
Projected salary increases	4.0% to 9.2%
Includes inflation at	3.0%
Retirement age	Experience-based table of rates that are specific to type of eligibility condition
Mortality	RP-2000 Male (unadjusted) and Female (unadjusted) Healthy Life Mortality Table project 10 years

City of Midland, Michigan
Required Supplementary Information
Police and Fire Retirement System
Schedule of Investment Returns

Fiscal Year Ended June 30,	Annual Return % *
2014	16.19%
2015	4.38%
2016	-2.09%

* Annual money-weighted rate of return, net of investment expenses

Note: Information from 2005 - 2013 is not available. Additional years will be presented on this schedule on a prospective basis.

City of Midland, Michigan
Required Supplementary Information
Other Post Employment Benefits
Schedule of Funding Progress

Actuarial Valuation Date		Actuarial Value of Assets (a)		Actuarial Accrued Liability (AAL) (b)		Unfunded AAL (UAAL) (b - a)		Funded Ratio (Percent) (a / b)
6/30/08	\$	17,313,617	\$	89,750,314	\$	72,436,697		19.3%
6/30/10		21,010,920		81,681,092		60,670,172		25.7%
6/30/12		28,750,211		76,021,289		47,271,078		37.8%
6/30/14		39,331,790		85,125,933		45,794,143		46.2%

Note: Valuation is performed every other year, so the next valuation report will be June 30, 2016.

City of Midland, Michigan
Required Supplementary Information
Other Post Employment Benefits
Schedule of Employer Contributions

Year Ended June 30	Annual Required Contribution	Actual Contribution	Percentage Contributed
2010	\$ 6,518,128	\$ 6,518,128	100%
2011	6,629,537	6,629,537	100%
2012	5,747,843	5,747,843	100%
2013	5,800,533	5,800,533	100%
2014	5,103,471	5,103,471	100%
2015	5,097,424	5,097,424	100%
2016	5,069,409	5,069,409	100%

The information presented above was determined as part of the actuarial valuations at the date indicated. Additional information as of June 30, 2014, the latest actuarial valuation, follows:

Actuarial cost method	Entry age
Amortization method	Level dollar
Amortization period (perpetual)	24 years
Asset valuation method	Reported at market
Actuarial assumptions:	
Investment rate of return	8.0%
Projected salary increases	4.0%
Includes inflation at	4.0%
Additional salary increases attributable to seniority/merit	0.3% to 13.0%

City of Midland, Michigan
Note to the Required Supplementary Information
Year Ended June 30, 2016

NOTE – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information – Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General Fund, Special Revenue Funds, and Debt Service Fund. All annual appropriations lapse at the end of the fiscal year, except as noted.

On or before the second Monday in April, the City Manager presents the proposed budget to the City Council for review. The City holds public hearings and a final budget must be prepared and adopted no later than the fourth Monday in May. During the current year, the budget was amended in a legally permissible manner.

The City Council approves the annual budget, which is prepared at the functional level.

Encumbrance accounting is employed in governmental funds. Encumbrances (purchase orders, contracts, and other commitments for the expenditure of monies) outstanding at year end are reported as committed fund balance since they do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

The City did not adopt a budget for the Cemetery Permanent Fund. Accordingly, no budget comparison schedule is provided.

City of Midland, Michigan
Other Supplementary Information
Nonmajor Governmental Funds
Fund Descriptions
Year Ended June 30, 2016

Special Revenue Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Local Street Fund – This fund accounts for the maintenance and construction of streets designated by the Michigan Department of Transportation as local streets.

Smart Zone Fund – This fund through a partnership with Midland Tomorrow accounts for funds collected from the Tax Increment Financing District to align and strategically fund community economic development functions building on Midland's base of innovation in the chemical and advanced materials sectors.

Center City Authority Fund - This fund accounts for the economic growth in the City Center as it becomes a destination for endless possibilities to eat, shop, and explore.

Stormwater Management Fund – This fund accounts for storm sewer maintenance, open drain cleaning, and county drain assessments related to storm water management within the City.

Grace A. Dow Memorial Library Fund – This fund accounts for property taxes, library services revenue and a General Fund subsidy to be used for providing library services to the citizens of Midland.

Community Development Block Grant Fund – This fund accounts for grant revenues from the Department of Housing and Urban Development to be used for residential and other capital improvements.

Dial-A-Ride Fund – This fund accounts for the City's Dial-A-Ride transportation system.

Downtown Development Authority Fund – This fund accounts for property taxes levied by and authority established for the purpose of maintaining and renovating the downtown Midland area.

Midland Community Television Fund – This fund accounts for franchise fees generated by an agreement with a local cable company to support two public access channels operated by the City.

City of Midland, Michigan
Other Supplementary Information
Nonmajor Governmental Funds
Fund Descriptions
Year Ended June 30, 2016

Special Activities Fund – This fund accounts for various types of activities that are specifically funded by outside parties, not appropriate to be accounted for in any other Special Revenue Fund, and for which the City is the benefactor of those activities.

Midland Housing Fund – This fund is used to account for a housing rehabilitation program, which was established by a local foundation.

Debt Service Fund

The Debt Service Fund accounts for the servicing of general long-term debt not being financed by proprietary or nonexpendable trust funds.

Permanent Fund

The Cemetery Fund is used to account for the Midland Cemetery perpetual care principal and interest earnings.

City of Midland, Michigan
Other Supplemental Information
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2016

	Special Revenue Funds											Debt Service Fund	Permanent Fund	
	Local Street Fund	Smart Zone Fund	Center City Authority Fund	Stormwater Management Fund	Grace A. Dow Memorial Library Fund	Community Development Block Grant Fund	Dial-A-Ride Fund	Downtown Development Authority Fund	Midland Community Television Fund	Special Activities Fund	Midland Housing Fund	Debt Service Fund	Cemetery Fund	Total Nonmajor Governmental Funds
Assets														
Cash and cash equivalents	\$ 4,623,963	\$ 159,659	\$ 61,417	\$ 940,944	\$ 141,290	\$ -	\$ -	\$ 952,458	\$ 1,080,708	\$ 107,672	\$ 275,081	\$ 1,098	\$ 1,983,930	\$ 10,328,220
Receivables - net of allowances														
Taxes	-	-	-	-	19,748	-	-	-	-	-	-	5,108	-	24,856
Trust deeds	-	-	-	-	-	1,102,014	-	-	-	-	-	-	-	1,102,014
Accounts and contracts	39,000	-	-	1,332	-	-	3,611	102,013	192,243	-	298,729	4,382	3,230	644,540
Accrued interest and other	3,600	-	1,113	664	843	-	-	1,085	874	46	236	416	1,578	10,455
Due from other units of government	367,976	-	-	-	-	184,953	343,211	-	-	-	-	-	-	896,140
Due from other funds	-	-	-	-	-	94,183	-	-	-	-	-	-	-	94,183
Inventories	-	-	-	-	-	-	-	-	-	-	8,492	-	-	8,492
Total assets	<u>\$ 5,034,539</u>	<u>\$ 159,659</u>	<u>\$ 62,530</u>	<u>\$ 942,940</u>	<u>\$ 161,881</u>	<u>\$ 1,381,150</u>	<u>\$ 346,822</u>	<u>\$ 1,055,556</u>	<u>\$ 1,273,825</u>	<u>\$ 107,718</u>	<u>\$ 582,538</u>	<u>\$ 11,004</u>	<u>\$ 1,988,738</u>	<u>\$ 13,108,900</u>
Liabilities														
Accounts payable	\$ 511,253	\$ -	\$ -	\$ 1,843	\$ 22,706	\$ 194,953	\$ 289,681	\$ 42,492	\$ 5,570	\$ 2,258	\$ 99,333	\$ -	\$ -	\$ 1,170,089
Due to other funds	-	-	-	-	-	-	-	-	-	-	94,183	-	-	94,183
Deposits	-	-	-	-	2,410	-	-	-	-	25,920	-	-	-	28,330
Unearned revenue	-	-	-	-	85,766	-	57,141	-	-	-	-	-	-	142,907
Total liabilities	<u>511,253</u>	<u>-</u>	<u>-</u>	<u>1,843</u>	<u>110,882</u>	<u>194,953</u>	<u>346,822</u>	<u>42,492</u>	<u>5,570</u>	<u>28,178</u>	<u>193,516</u>	<u>-</u>	<u>-</u>	<u>1,435,509</u>
Deferred inflows of resources														
Customers	-	-	-	-	-	-	-	-	-	-	175,332	-	-	175,332
Trust deeds	-	-	-	-	-	1,102,014	-	-	-	-	-	-	-	1,102,014
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,102,014</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>175,332</u>	<u>-</u>	<u>-</u>	<u>1,277,346</u>
Total liabilities and deferred inflows of resources	<u>511,253</u>	<u>-</u>	<u>-</u>	<u>1,843</u>	<u>110,882</u>	<u>1,296,967</u>	<u>346,822</u>	<u>42,492</u>	<u>5,570</u>	<u>28,178</u>	<u>368,848</u>	<u>-</u>	<u>-</u>	<u>2,712,855</u>
Fund balances														
Non-spendable														
Inventories	-	-	-	-	-	-	-	-	-	-	8,492	-	-	8,492
Restricted for														
Local street	4,290,295	-	-	-	-	-	-	-	-	-	-	-	-	4,290,295
Smart Zone	-	111,659	-	-	-	-	-	-	-	-	-	-	-	111,659
Center city authority	-	-	62,530	-	-	-	-	-	-	-	-	-	-	62,530
Grace A. Dow Memorial Library	-	-	-	-	50,999	-	-	-	-	-	-	-	-	50,999
Downtown development authority	-	-	-	-	-	-	-	1,013,064	-	-	-	-	-	1,013,064
Community development block grant	-	-	-	-	-	84,183	-	-	-	-	-	-	-	84,183
Midland housing	-	-	-	-	-	-	-	-	-	-	32,298	-	-	32,298
Special activities	-	-	-	-	-	-	-	-	-	79,540	-	-	-	79,540
Debt service	-	-	-	-	-	-	-	-	-	-	-	11,004	-	11,004
Cemetery operations	-	-	-	-	-	-	-	-	-	-	-	-	1,988,738	1,988,738
Committed														
Future year expenditures	232,991	48,000	-	-	-	-	-	-	-	-	172,900	-	-	453,891
Assigned	-	-	-	941,097	-	-	-	-	1,268,255	-	-	-	-	2,209,352
Total fund balances	<u>4,523,286</u>	<u>159,659</u>	<u>62,530</u>	<u>941,097</u>	<u>50,999</u>	<u>84,183</u>	<u>-</u>	<u>1,013,064</u>	<u>1,268,255</u>	<u>79,540</u>	<u>213,690</u>	<u>11,004</u>	<u>1,988,738</u>	<u>10,396,045</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 5,034,539</u>	<u>\$ 159,659</u>	<u>\$ 62,530</u>	<u>\$ 942,940</u>	<u>\$ 161,881</u>	<u>\$ 1,381,150</u>	<u>\$ 346,822</u>	<u>\$ 1,055,556</u>	<u>\$ 1,273,825</u>	<u>\$ 107,718</u>	<u>\$ 582,538</u>	<u>\$ 11,004</u>	<u>\$ 1,988,738</u>	<u>\$ 13,108,900</u>

City of Midland, Michigan
Other Supplemental Information
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended June 30, 2016

	Special Revenue Funds											Debt Service Fund	Permanent Fund	
	Local Street Fund	Smart Zone Fund	Center City Authority Fund	Stormwater Management Fund	Grace A. Dow Memorial Library Fund	Community Development Block Grant Fund	Dial-A-Ride Fund	Downtown Development Authority Fund	Midland Community Television Fund	Special Activities Fund	Midland Housing Fund	Debt Service Fund	Cemetery Fund	Total Nonmajor Governmental Funds
Revenues														
Taxes	\$ -	\$ 17,344	\$ 19,838	\$ -	\$ 2,382,957	\$ -	\$ -	\$ 597,388	\$ -	\$ -	\$ -	\$ 627,746	\$ -	\$ 3,645,273
Licenses and permits	76,704	-	-	15,793	-	-	-	-	-	-	-	-	-	92,497
Federal grants	-	-	-	889	-	278,806	1,032,758	-	-	-	-	-	-	1,312,453
Other state grants	1,454,049	-	-	148	47,714	-	785,008	-	-	9,364	-	2,467	-	2,298,750
Local contributions	39,000	257,519	136,081	-	82,556	-	-	16,500	414	64,697	-	-	27,345	624,112
Charges for services	-	-	-	-	613,859	-	114,230	-	776,959	-	-	-	-	1,505,048
Interest income	8,621	-	89	1,551	1,995	-	-	1,520	2,195	122	540	1,187	3,888	21,708
Other revenue	17,985	-	95	502	385	52,576	-	9,175	-	1,121	12,939	6,015	-	100,793
Total revenues	1,596,359	274,863	156,103	18,883	3,129,466	331,382	1,931,996	624,583	779,568	75,304	13,479	637,415	31,233	9,600,634
Expenditures														
Current														
General government	-	-	-	-	-	-	-	-	-	5,000	-	-	-	5,000
Public safety	-	-	-	-	-	-	-	-	-	10,000	-	-	-	10,000
Public works	1,219,260	115,204	464	468,279	-	-	-	-	-	-	-	-	-	1,803,207
Community and economic development	-	-	-	-	-	238,813	-	448,623	-	57,164	401,558	-	-	1,146,158
Library and community television	-	-	-	-	3,691,067	-	-	-	566,348	-	-	-	-	4,257,415
Transportation	-	-	-	-	-	-	1,869,850	-	-	-	-	-	-	1,869,850
Capital outlay	2,471,433	-	-	261,740	29,239	-	602,725	-	532,962	-	-	-	-	3,898,099
Debt service														
Principal retirement	-	-	-	-	-	-	-	-	-	-	-	1,175,000	-	1,175,000
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	-	455,878	-	455,878
Bond issuance costs	-	-	-	-	-	-	-	-	-	-	-	62,413	-	62,413
Total expenditures	3,690,693	115,204	464	730,019	3,720,306	238,813	2,472,575	448,623	1,099,310	72,164	401,558	1,693,291	-	14,683,020
Excess (deficiency) of revenues over (under) expenditures	(2,094,334)	159,659	155,639	(711,136)	(590,840)	92,569	(540,579)	175,960	(319,742)	3,140	(388,079)	(1,055,876)	31,233	(5,082,386)
Other financing sources (uses)														
Proceeds from sale of capital assets	-	-	-	-	2,951	-	17,996	-	2,293	-	389,473	-	-	412,713
Proceeds from refinancing debt	-	-	-	-	-	-	-	-	-	-	-	7,725,000	-	7,725,000
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-	-	-	-	(7,662,587)	-	(7,662,587)
Transfers in	2,770,000	-	-	935,394	602,420	-	518,283	10,000	-	5,000	-	1,819,724	-	6,660,821
Transfers out	(104,095)	-	(104,000)	-	-	(100,969)	-	(50,000)	-	(2,424)	-	(822,662)	-	(1,184,150)
Total other financing sources and uses	2,665,905	-	(104,000)	935,394	605,371	(100,969)	536,279	(40,000)	2,293	2,576	389,473	1,059,475	-	5,951,797
Net change in fund balance	571,571	159,659	51,639	224,258	14,531	(8,400)	(4,300)	135,960	(317,449)	5,716	1,394	3,599	31,233	869,411
Fund balance - beginning of year	3,951,715	-	10,891	716,839	36,468	92,583	4,300	877,104	1,585,704	73,824	212,296	7,405	1,957,505	9,526,634
Fund balance - end of year	\$ 4,523,286	\$ 159,659	\$ 62,530	\$ 941,097	\$ 50,999	\$ 84,183	\$ -	\$ 1,013,064	\$ 1,268,255	\$ 79,540	\$ 213,690	\$ 11,004	\$ 1,988,738	\$ 10,396,045

City of Midland, Michigan
Other Supplementary Information
Budgetary Comparison Schedule
Local Street Fund
For the Year Ended June 30, 2016

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Licenses and permits	\$ 72,000	\$ 70,000	\$ 76,704	\$ 6,704
Other State grants	778,000	1,430,400	1,454,049	23,649
Local contributions	50,000	50,000	39,000	(11,000)
Interest income	2,500	3,000	8,621	5,621
Other revenue	-	-	17,985	17,985
Total revenues	902,500	1,553,400	1,596,359	42,959
Expenditures				
Public works				
Engineering	110,493	139,523	147,646	8,123
Right of way inspections	28,312	27,757	6,145	(21,612)
Roadway maintenance	223,215	210,430	205,086	(5,344)
Guardrail maintenance	4,151	2,551	1,093	(1,458)
Sweeping and flushing	216,643	260,941	258,714	(2,227)
Shoulder maintenance	7,798	3,754	859	(2,895)
Roadside drainage	140,717	112,629	104,095	(8,534)
Curb and gutter maintenance	162,369	198,877	194,543	(4,334)
Roadside cleanup	12,137	18,993	18,932	(61)
Dust control	17,080	12,480	9,448	(3,032)
Snow and ice control	450,514	412,747	238,315	(174,432)
Stormwater activities credit	(140,717)	(128,629)	(104,095)	24,534
Traffic services	113,565	121,500	138,479	16,979
Reserve for contingencies	20,000	20,000	-	(20,000)
Total expenditures	1,366,277	1,413,553	1,219,260	(194,293)
Capital outlay	2,636,000	4,091,182	2,471,433	(1,619,749)
Total public works	4,002,277	5,504,735	3,690,693	(1,814,042)
Excess (deficiency) of revenues over (under) expenditures	(3,099,777)	(3,951,335)	(2,094,334)	1,857,001
Other financing sources (uses)				
Transfers in	2,770,000	2,770,000	2,770,000	-
Transfers out	(140,717)	(128,629)	(104,095)	24,534
Total other financing sources (uses)	2,629,283	2,641,371	2,665,905	24,534
Net change in fund balance	(470,494)	(1,309,964)	571,571	1,881,535
Fund balance - beginning of year	3,951,715	3,951,715	3,951,715	-
Fund balance - end of year	\$ 3,481,221	\$ 2,641,751	\$ 4,523,286	\$ 1,881,535

City of Midland, Michigan
Other Supplementary Information
Budgetary Comparison Schedule
Smart Zone Fund
For the Year Ended June 30, 2016

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Taxes	\$ -	\$ 17,344	\$ 17,344	\$ -
Local contributions	-	-	257,519	257,519
Total revenues	-	17,344	274,863	257,519
Expenditures				
Public works				
Administration	-	39,653	70,183	30,530
Other	-	47,088	45,021	(2,067)
Total expenditures	-	86,741	115,204	28,463
Net change in fund balance	-	(69,397)	159,659	229,056
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	\$ -	\$ (69,397)	\$ 159,659	\$ 229,056

City of Midland, Michigan
Other Supplementary Information
Budgetary Comparison Schedule
Center City Authority Fund
For the Year Ended June 30, 2016

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Taxes	\$ 10,765	\$ 7,927	\$ 19,838	\$ 11,911
Local contributions	-	136,081	136,081	-
Interest income	14	-	89	89
Other revenue	450	300	95	(205)
Total revenues	11,229	144,308	156,103	11,795
Expenditures				
Public works				
Other	11,229	43,310	464	(42,846)
Excess of revenues over expenditures	-	100,998	155,639	54,641
Other financing sources (uses)				
Transfers out	-	(104,000)	(104,000)	-
Net change in fund balance	-	(3,002)	51,639	54,641
Fund balance - beginning of year	10,891	10,891	10,891	-
Fund balance - end of year	\$ 10,891	\$ 7,889	\$ 62,530	\$ 54,641

City of Midland, Michigan
Other Supplementary Information
Budgetary Comparison Schedule
Stormwater Management Fund
For the Year Ended June 30, 2016

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Licenses and permits	\$ 19,000	\$ 17,600	\$ 15,793	\$ (1,807)
Federal grants	-	890	889	(1)
Other state grants	-	-	148	148
Interest income	450	450	1,551	1,101
Other revenue	-	510	502	(8)
Total revenues	19,450	19,450	18,883	(567)
Expenditures				
Public works				
Administration	20,550	20,550	20,550	-
Open drain maintenance	113,662	56,276	50,473	(5,803)
Storm sewer maintenance	215,752	172,298	126,207	(46,091)
Inspection expenses	43,812	43,969	26,218	(17,751)
Storm sewer repair	31,447	36,978	31,055	(5,923)
Purchased services	265,639	266,358	213,776	(52,582)
Reserve for contingencies	20,000	2,380	-	(2,380)
Total public works	710,862	598,809	468,279	(130,530)
Capital outlay	361,000	689,432	261,740	(427,692)
Total expenditures	1,071,862	1,288,241	730,019	(558,222)
Excess (deficiency) of revenues over (under) expenditures	(1,052,412)	(1,268,791)	(711,136)	557,655
Other financing sources (uses)				
Transfers in	991,639	984,375	935,394	(48,981)
Net change in fund balance	(60,773)	(284,416)	224,258	508,674
Fund balance - beginning of year	716,839	716,839	716,839	-
Fund balance - end of year	\$ 656,066	\$ 432,423	\$ 941,097	\$ 508,674

City of Midland, Michigan
Other Supplementary Information
Budgetary Comparison Schedule
Grace A. Dow Memorial Library Fund
For the Year Ended June 30, 2016

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Taxes	\$ 2,337,261	\$ 2,383,391	\$ 2,382,957	\$ (434)
Other State grants	40,000	47,715	47,714	(1)
Local contributions	60,000	210,000	82,556	(127,444)
Charges for services	611,970	610,461	613,859	3,398
Interest income	800	1,000	1,995	995
Other revenue	3,000	2,500	385	(2,115)
Total revenues	<u>3,053,031</u>	<u>3,255,067</u>	<u>3,129,466</u>	<u>(125,601)</u>
Expenditures				
Library and community television				
Personal services	2,877,069	2,762,893	2,631,693	(131,200)
Supplies	491,660	544,272	527,082	(17,190)
Other changes	703,042	688,439	532,292	(156,147)
Capital outlay	23,000	154,657	29,239	(125,418)
Total expenditures	<u>4,094,771</u>	<u>4,150,261</u>	<u>3,720,306</u>	<u>(429,955)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,041,740)</u>	<u>(895,194)</u>	<u>(590,840)</u>	<u>304,354</u>
Other financing sources (uses)				
Proceeds from the sale of capital assets	-	-	2,951	2,951
Transfers in	1,041,740	858,726	602,420	(256,306)
Total other financing sources and uses	<u>1,041,740</u>	<u>858,726</u>	<u>605,371</u>	<u>(253,355)</u>
Net change in fund balance	-	(36,468)	14,531	50,999
Fund balance - beginning of year	<u>36,468</u>	<u>36,468</u>	<u>36,468</u>	<u>-</u>
Fund balance - end of year	<u>\$ 36,468</u>	<u>\$ -</u>	<u>\$ 50,999</u>	<u>\$ 50,999</u>

City of Midland, Michigan
Other Supplementary Information
Budgetary Comparison Schedule
Community Development Block Grant Fund
For the Year Ended June 30, 2016

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Federal grants	\$ 313,621	\$ 449,211	\$ 278,806	\$ (170,405)
Other revenue	5,000	52,600	52,576	(24)
Total revenues	318,621	501,811	331,382	(170,429)
Expenditures				
Community and economic development				
Administration	43,000	43,000	48,015	5,015
Residential home rehabs	65,884	102,211	58,415	(43,796)
Public facilities improvements	80,000	90,000	94,894	4,894
Public services project	35,497	35,497	35,489	(8)
Affordable housing	-	15,000	-	(15,000)
Removal of architectural barriers	2,000	2,000	2,000	-
Reserve for contingencies	8,000	7,926	-	(7,926)
Total expenditures	234,381	295,634	238,813	(56,821)
Excess (deficiency) of revenues over expenditures	84,240	206,177	92,569	(113,608)
Other financing sources (uses)				
Transfers out	(84,000)	(126,074)	(100,969)	25,105
Net change in fund balance	240	80,103	(8,400)	(88,503)
Fund balance - beginning of year	92,583	92,583	92,583	-
Fund balance - end of year	\$ 92,823	\$ 172,686	\$ 84,183	\$ (88,503)

City of Midland, Michigan
Other Supplementary Information
Budgetary Comparison Schedule
Dial-A-Ride Fund
For the Year Ended June 30, 2016

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Federal grants	\$ 701,639	\$ 1,025,264	\$ 1,032,758	\$ 7,494
Other State grants	785,161	801,914	785,008	(16,906)
Charges for services	105,000	111,851	114,230	2,379
Total revenues	1,591,800	1,939,029	1,931,996	(7,033)
Expenditures				
Transportation				
Operations	1,546,765	1,510,648	1,383,089	(127,559)
Administration	245,025	215,025	218,547	3,522
Dispatching	263,317	261,762	268,214	6,452
Reserve for contingencies	10,000	10,000	-	(10,000)
Total transportation	2,065,107	1,997,435	1,869,850	(127,585)
Capital outlay	225,000	603,139	602,725	(414)
Total expenditures	2,290,107	2,600,574	2,472,575	(127,999)
Excess (deficiency) of revenues over (under) expenditures	(698,307)	(661,545)	(540,579)	120,966
Other financing sources (uses)				
Proceeds from sale of capital assets	-	18,000	17,996	(4)
Transfers in	698,307	639,245	518,283	(120,962)
Total other financing sources and uses	698,307	657,245	536,279	(120,966)
Net change in fund balance	-	(4,300)	(4,300)	-
Fund balance - beginning of year	4,300	4,300	4,300	-
Fund balance - end of year	\$ 4,300	\$ -	\$ -	\$ -

City of Midland, Michigan
Other Supplementary Information
Budgetary Comparison Schedule
Downtown Development Authority Fund
For the Year Ended June 30, 2016

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Taxes	\$ 510,011	\$ 557,410	\$ 597,388	\$ 39,978
Local contributions	16,500	16,500	16,500	-
Interest income	1,000	800	1,520	720
Other revenue	5,000	9,175	9,175	-
Total revenues	532,511	583,885	624,583	40,698
Expenditures				
Community and economic development				
Personal services	221,665	221,665	151,320	(70,345)
Supplies	1,900	1,800	1,757	(43)
Other charges	281,751	452,069	295,546	(156,523)
Total expenditures	505,316	675,534	448,623	(226,911)
Excess (deficiency) of revenues over (under) expenditures	27,195	(91,649)	175,960	267,609
Other financing sources (uses)				
Transfers in	10,000	10,000	10,000	-
Transfers out	(50,000)	(50,000)	(50,000)	-
Total other financing sources and uses	(40,000)	(40,000)	(40,000)	-
Net change in fund balance	(12,805)	(131,649)	135,960	267,609
Fund balance - beginning of year	877,104	877,104	877,104	-
Fund balance - end of year	\$ 864,299	\$ 745,455	\$ 1,013,064	\$ 267,609

City of Midland, Michigan
Other Supplementary Information
Budgetary Comparison Schedule
Midland Community Television Fund
For the Year Ended June 30, 2016

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Local contributions	\$ 2,000	\$ 1,000	\$ 414	\$ (586)
Charges for services	755,300	779,900	776,959	(2,941)
Interest income	1,100	1,100	2,195	1,095
Total revenues	<u>758,400</u>	<u>782,000</u>	<u>779,568</u>	<u>(2,432)</u>
Expenditures				
Library and community television				
Personal services	441,680	424,929	409,985	(14,944)
Supplies	17,250	17,900	14,623	(3,277)
Other charges	160,138	159,938	141,740	(18,198)
Reserve for contingencies	20,000	20,000	-	(20,000)
Total library and community television	<u>639,068</u>	<u>622,767</u>	<u>566,348</u>	<u>(56,419)</u>
Capital outlay	<u>176,000</u>	<u>615,582</u>	<u>532,962</u>	<u>(82,620)</u>
Total expenditures	<u>815,068</u>	<u>1,238,349</u>	<u>1,099,310</u>	<u>(139,039)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(56,668)</u>	<u>(456,349)</u>	<u>(319,742)</u>	<u>136,607</u>
Other financing sources (uses)				
Proceeds from sale of capital assets	<u>-</u>	<u>1,500</u>	<u>2,293</u>	<u>793</u>
Net change in fund balance	(56,668)	(454,849)	(317,449)	137,400
Fund balance - beginning of year	<u>1,585,704</u>	<u>1,585,704</u>	<u>1,585,704</u>	<u>-</u>
Fund balance - end of year	<u>\$ 1,529,036</u>	<u>\$ 1,130,855</u>	<u>\$ 1,268,255</u>	<u>\$ 137,400</u>

City of Midland, Michigan
Other Supplementary Information
Budgetary Comparison Schedule
Special Activities Fund
For the Year Ended June 30, 2016

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Other state grants	\$ 9,000	\$ 9,000	\$ 9,364	\$ 364
Local contributions	90,850	25,275	64,697	39,422
Interest income	50	50	122	72
Other revenue	5,000	44,500	1,121	(43,379)
Total revenues	104,900	78,825	75,304	(3,521)
Expenditures				
General government				
Supplies	4,000	21,285	20,182	(1,103)
Other charges	82,000	51,163	51,982	819
Total expenditures	86,000	72,448	72,164	(284)
Excess (deficiency) of revenues over (under) expenditures	18,900	6,377	3,140	(3,237)
Other financing sources (uses)				
Transfers in	5,000	5,000	5,000	-
Transfers out	(10,000)	(10,000)	(2,424)	7,576
Total other financing sources and uses	(5,000)	(5,000)	2,576	7,576
Net change in fund balance	13,900	1,377	5,716	4,339
Fund balance - beginning of year	73,824	73,824	73,824	-
Fund balance - end of year	\$ 87,724	\$ 75,201	\$ 79,540	\$ 4,339

City of Midland, Michigan
Other Supplementary Information
Budgetary Comparison Schedule
Midland Housing Fund
For the Year Ended June 30, 2016

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Interest income	\$ 200	\$ 200	\$ 540	\$ 340
Other revenue	-	17,938	12,939	(4,999)
Total revenues	200	18,138	13,479	(4,659)
Expenditures				
Community and economic development				
Costs of assets sold	130,000	147,862	401,558	253,696
Warranty maintenance	11,800	6,050	-	(6,050)
Total expenditures	141,800	153,912	401,558	247,646
Deficiency of revenues under expenditures	(141,600)	(135,774)	(388,079)	(252,305)
Other financing sources (uses)				
Proceeds from sale of capital assets	130,000	301,077	389,473	88,396
Net change in fund balance	(11,600)	165,303	1,394	(163,909)
Fund balance - beginning of year	212,296	212,296	212,296	-
Fund balance - end of year	\$ 200,696	\$ 377,599	\$ 213,690	\$ (163,909)

City of Midland, Michigan
Other Supplementary Information
Budgetary Comparison Schedule
Debt Service Fund
For the Year Ended June 30, 2016

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Taxes	\$ 633,351	\$ 627,862	\$ 627,746	\$ (116)
Other state grants	-	596	2,467	1,871
Interest income	250	250	1,187	937
Other revenue	-	1,633	6,015	4,382
Total revenues	633,601	630,341	637,415	7,074
Expenditures				
Debt service				
Principal retirement	1,175,000	1,175,000	1,175,000	-
Interest and fiscal charges	455,663	455,663	455,878	215
Bond issuance costs	-	-	62,413	62,413
Total expenditures	1,630,663	1,630,663	1,693,291	62,628
Deficiency of revenues under expenditures	(997,062)	(1,000,322)	(1,055,876)	(55,554)
Other financing sources (uses)				
Proceeds from refinancing debt	-	-	7,725,000	7,725,000
Payment to refunded bond escrow agent	-	-	(7,662,587)	(7,662,587)
Transfers in	1,819,724	1,819,724	1,819,724	-
Transfers out	(822,662)	(822,662)	(822,662)	-
Total other financing sources (uses)	997,062	997,062	1,059,475	62,413
Net change in fund balance	-	(3,260)	3,599	6,859
Fund balance - beginning of year	-	-	7,405	7,405
Fund balance - end of year	\$ -	\$ (3,260)	\$ 11,004	\$ 14,264

City of Midland, Michigan
Other Supplementary Information
Nonmajor Proprietary Funds
Fund Descriptions
Year Ended June 30, 2016

Enterprise Funds

Enterprise Funds are used to account for operations financed and operated in a manner similar to private business or where the governing body has decided that the determination of revenues earned, costs incurred, and/or net income is necessary for management accountability.

Riverside Place Fund – This fund accounts for the operation and maintenance of one of the City's senior housing rental properties.

Currie Municipal Golf Course Fund – This fund accounts for the operation and maintenance of the City's golf course.

Parking Fund – This fund accounts for the operations of the City's metered and leased parking spaces and downtown parking structure.

City of Midland, Michigan
Other Supplementary Information
Nonmajor Proprietary Funds
Combining Statement of Net Position
June 30, 2016

	Enterprise Funds			
	Riverside Place Fund	Currie Municipal Golf Course Fund	Parking Fund	Total Nonmajor Proprietary Funds
Assets				
Current assets				
Cash and cash equivalents	\$ 1,358,370	\$ -	\$ 26,942	\$ 1,385,312
Investments	-	386,247	-	386,247
Receivables - net of allowances				
Customers	431	10,566	-	10,997
Accounts and contracts	-	-	22,967	22,967
Accrued interest	1,090	-	9	1,099
Inventories	-	37,620	-	37,620
Prepaid items	-	21,068	-	21,068
Total current assets	<u>1,359,891</u>	<u>455,501</u>	<u>49,918</u>	<u>1,865,310</u>
Noncurrent assets				
Capital assets, net of accumulated depreciation	6,835,077	4,582,605	985,484	12,403,166
Capital assets not being depreciated	538,000	288,354	536,223	1,362,577
Total noncurrent assets	<u>7,373,077</u>	<u>4,870,959</u>	<u>1,521,707</u>	<u>13,765,743</u>
Total assets	<u>8,732,968</u>	<u>5,326,460</u>	<u>1,571,625</u>	<u>15,631,053</u>
Deferred outflows of resources				
Deferred amount relating to net pension liability - MERS	<u>241,586</u>	<u>-</u>	<u>9,139</u>	<u>250,725</u>
Total assets and deferred outflows of resources	<u>8,974,554</u>	<u>5,326,460</u>	<u>1,580,764</u>	<u>15,881,778</u>

City of Midland, Michigan
Other Supplementary Information
Nonmajor Proprietary Funds
Combining Statement of Net Position
June 30, 2016

	Enterprise Funds			Total Nonmajor Proprietary Funds
	Riverside Place Fund	Currie Municipal Golf Course Fund	Parking Fund	
Liabilities				
Current liabilities				
Accounts payable	\$ 40,942	\$ 555,126	\$ 1,714	\$ 597,782
Accrued and other liabilities	-	15,689	-	15,689
Deposits	21,725	56,095	-	77,820
Unearned revenue	-	60,720	-	60,720
Total current liabilities	<u>62,667</u>	<u>687,630</u>	<u>1,714</u>	<u>752,011</u>
Noncurrent liabilities				
Net pension liability	1,311,196	-	43,114	1,354,310
Current portion of noncurrent liabilities	27,204	-	-	27,204
Long-term debt net of current portion	9,085	-	-	9,085
Total noncurrent liabilities	<u>1,347,485</u>	<u>-</u>	<u>43,114</u>	<u>1,390,599</u>
Total liabilities	<u>1,410,152</u>	<u>687,630</u>	<u>44,828</u>	<u>2,142,610</u>
Deferred Inflows of Resources				
Deferred amount relating to net pension liability - MERS	<u>9,137</u>	<u>-</u>	<u>351</u>	<u>9,488</u>
Total liabilities and deferred inflows of resources	<u>1,419,289</u>	<u>687,630</u>	<u>45,179</u>	<u>2,152,098</u>
Net position				
Net investment in capital assets	7,373,077	4,870,959	1,521,707	13,765,743
Unrestricted (deficit)	<u>182,188</u>	<u>(232,129)</u>	<u>13,878</u>	<u>(36,063)</u>
Total net position	<u>\$ 7,555,265</u>	<u>\$ 4,638,830</u>	<u>\$ 1,535,585</u>	<u>\$ 13,729,680</u>

City of Midland, Michigan
Other Supplementary Information
Nonmajor Proprietary Funds
Combining Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2016

	Enterprise Funds			Total Nonmajor Proprietary Funds
	Riverside Place Fund	Currie Municipal Golf Course Fund	Parking Fund	
Operating revenue				
Use and admission charges	\$ -	\$ 863,050	\$ 100,191	\$ 963,241
Rental income	1,440,908	-	-	1,440,908
Sale of meals	409,401	-	-	409,401
Other revenue	152,726	19,810	13,708	186,244
Total operating revenue	2,003,035	882,860	113,899	2,999,794
Operating expenses				
Operations	1,904,271	999,777	43,981	2,948,029
Maintenance	-	-	118,806	118,806
Other expenses	-	-	5,342	5,342
Depreciation	282,110	180,115	36,880	499,105
Total operating expenses	2,186,381	1,179,892	205,009	3,571,282
Operating loss	(183,346)	(297,032)	(91,110)	(571,488)
Nonoperating revenue				
Interest income	2,662	221	22	2,905
Other revenue	106	10,000	-	10,106
Total nonoperating revenues	2,768	10,221	22	13,011
Loss before contributions and transfers	(180,578)	(286,811)	(91,088)	(558,477)

City of Midland, Michigan
Other Supplementary Information
Nonmajor Proprietary Funds
Combining Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2016

	Enterprise Funds			Total Nonmajor Proprietary Funds
	Riverside Place Fund	Currie Municipal Golf Course Fund	Parking Fund	
Capital contributions	\$ -	\$ 28,000	\$ -	\$ 28,000
Transfers in	7,551	540,000	73,500	621,051
Transfers out	(23,927)	-	-	(23,927)
Total other financing sources and uses	(16,376)	568,000	73,500	625,124
Change in net position	(196,954)	281,189	(17,588)	66,647
Net position - beginning of year	7,752,219	4,357,641	1,553,173	13,663,033
Net position - end of year	<u>\$ 7,555,265</u>	<u>\$ 4,638,830</u>	<u>\$ 1,535,585</u>	<u>\$ 13,729,680</u>

City of Midland, Michigan
Other Supplementary Information
Nonmajor Proprietary Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2016

	Enterprise Funds			Total Nonmajor Proprietary Funds
	Riverside Place Fund	Currie Municipal Golf Course Fund	Parking Fund	
Cash flows from operating activities				
Receipts from customers	\$ 2,002,218	\$ 922,095	\$ 106,948	\$ 3,031,261
Payments to suppliers	(1,042,572)	(1,002,362)	(113,155)	(2,158,089)
Payments to employees	(790,217)	(503,398)	(50,276)	(1,343,891)
Net cash provided (used) by operating activities	169,429	(583,665)	(56,483)	(470,719)
Cash flows from noncapital financing activities				
Transfer from other funds	7,551	540,000	73,500	621,051
Transfers to other funds	(23,927)	-	-	(23,927)
Nonoperating revenues	106	-	-	106
Net cash provided (used) by noncapital financing activities	(16,270)	540,000	73,500	597,230
Cash flows from capital and related financing activities				
Capital contributions	-	28,000	-	28,000
Purchases/construction of capital assets	(57,129)	4,100	-	(53,029)
Net cash provided (used) by capital and related financing activities	(57,129)	32,100	-	(25,029)
Cash flows from investing activities				
Interest received	2,662	11,565	22	14,249
Net change in cash and cash equivalents	98,692	-	17,039	115,731
Cash and cash equivalents - beginning of year	1,259,678	-	9,903	1,269,581
Cash and cash equivalents - end of year	\$ 1,358,370	\$ -	\$ 26,942	\$ 1,385,312
Noncash investing activities - changes in fair value of investments	\$ -	\$ (11,344)	\$ -	(11,344)
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating loss	\$ (183,346)	\$ (297,032)	\$ (91,110)	\$ (571,488)
Adjustments to reconcile operating loss to net cash				
from operating activities				
Depreciation expense	282,110	180,115	36,880	499,105
Noncash portion of deferred outflows related to net pension liability	247,125	-	9,861	256,986
Changes in assets and liabilities				
Receivables (net)	(817)	39,235	(6,951)	31,467
Inventories	-	(9,427)	-	(9,427)
Prepaid items	-	6,856	-	6,856
Deferred amount relating to net pension liability - MERS	(157,331)	-	(6,440)	(163,771)
Accounts payable	4,208	(509,846)	1,277	(504,361)
Accrued and other liabilities	(22,070)	(28,497)	-	(50,567)
Deposits	(450)	(8,242)	-	(8,692)
Unearned revenue	-	43,173	-	43,173
Net cash provided (used) by operating activities	\$ 169,429	\$ (583,665)	\$ (56,483)	\$ (470,719)

City of Midland, Michigan
Other Supplementary Information
Fiduciary Funds
Fund Descriptions
Year Ended June 30, 2016

Trust Fund

Trust Funds are used to account for assets held by the City in a trustee capacity.

Police and Fire Pension Fund – This fund accounts for the accumulation of resources for, and the payment of, pension benefits.

Agency Funds

Agency Funds are used to account for assets held by the City as an agent for individuals, organizations, or other governments.

Payroll Fund – This fund is used to account for all benefits charged and all deductions withheld during payroll processing until payments are remitted.

Midland Downtown Business Association Fund – The City acts as an agent for the financial management of this Association. This fund accounts for special assessments charged against property owners within the Shopping Area Redevelopment Authority district for promotion of the area.

DDA Façade Improvement Fund – This fund accounts for loans to businesses in the Downtown Development Authority business district. The funding for these loans was provided by a grant from the Rollin M. Gerstacker Foundation.

Tax Collection Fund – This fund is used to account for taxes collected on behalf of other governmental units.

Center City Façade Improvements Fund – This fund accounts for loans to commercial property owners and business owners in the Center City corridor for qualifying façade improvements. The funding for these loans was provided by a grant from the Midland Area Community Foundation.

City of Midland, Michigan
Other Supplementary Information
Fiduciary Funds - Pension and Other Employee Benefit Trust Funds
Statement of Plan Net Position
June 30, 2016

	<u>Police and Fire Pension</u>
Assets	
Cash and cash equivalents	\$ 1,927,424
Investments	
Common stock	26,659,959
Preferred stock	1,844,433
Bonds	12,162,667
International funds	8,812,484
Alternative investments	5,974,019
Receivables	
Accrued interest and other	<u>52,163</u>
 Total assets	 <u>57,433,149</u>
 Net position	
Net position restricted for pensions	 <u><u>\$ 57,433,149</u></u>

City of Midland, Michigan
Other Supplementary Information
Fiduciary Funds - Pension and Other Employee Benefit Trust Funds
Statement of Changes in Plan Net Position
For the Year Ended June 30, 2016

	<u>Police and Fire Pension</u>
Additions	
Contributions	
Employer	\$ 2,557,242
Plan members	<u>596,652</u>
Total contributions	<u>3,153,894</u>
Investment earnings	
Net loss in fair value of assets	(2,106,726)
Interest	268,000
Dividends	<u>989,960</u>
Total investment earnings (losses)	(848,766)
Less investment expense	<u>(403,352)</u>
Net investment earnings (losses)	(1,252,118)
Other revenue	<u>95</u>
Total additions	1,901,871
Deductions	
Benefits paid, including refunds of member contributions	<u>5,379,062</u>
Change in net position	(3,477,191)
Net positions restricted from pensions - beginning of year	<u>60,910,340</u>
Net positions restricted for pensions - end of year	<u>\$ 57,433,149</u>

City of Midland, Michigan
Other Supplementary Information
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Year Ended June 30, 2016

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
Payroll Fund				
Assets				
Cash and cash equivalents	\$ 1,784,052	\$ 44,867,074	\$ 45,655,448	\$ 995,678
Prepays	88,443	79,242	88,443	79,242
Total assets	<u>\$ 1,872,495</u>	<u>\$ 44,946,316</u>	<u>\$ 45,743,891</u>	<u>\$ 1,074,920</u>
Liabilities				
Accrued payroll liabilities	<u>\$ 1,872,495</u>	<u>\$ 45,829,128</u>	<u>\$ 46,626,703</u>	<u>\$ 1,074,920</u>
Midland Downtown Business Association Fund				
Assets				
Cash and cash equivalents	\$ 20,050	\$ 75,031	\$ 80,959	\$ 14,122
Receivables				
Accounts and contracts	6,414	-	6,414	-
Accrued interest and other	3	41	27	17
Total assets	<u>\$ 26,467</u>	<u>\$ 75,072</u>	<u>\$ 87,400</u>	<u>\$ 14,139</u>
Liabilities				
Accounts payable	\$ -	\$ 54,182	\$ 54,182	\$ -
Due to other units of government	26,467	14,139	26,467	14,139
Total liabilities	<u>\$ 26,467</u>	<u>\$ 68,321</u>	<u>\$ 80,649</u>	<u>\$ 14,139</u>
DDA Facade Improvement Fund				
Assets				
Cash and cash equivalents	\$ 16,221	\$ 4,396	\$ 2,641	\$ 17,976
Receivables				
Accounts and contracts	23,917	-	5,233	18,684
Accrued interest and other	5	26	17	14
Total assets	<u>\$ 40,143</u>	<u>\$ 4,422</u>	<u>\$ 7,891</u>	<u>\$ 36,674</u>
Liabilities				
Accounts payable	\$ -	\$ 2,641	\$ 2,641	\$ -
Due to foundations	40,143	36,674	40,143	36,674
Total liabilities	<u>\$ 40,143</u>	<u>\$ 39,315</u>	<u>\$ 42,784</u>	<u>\$ 36,674</u>

City of Midland, Michigan
Other Supplementary Information
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Year Ended June 30, 2016

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
Tax Collection Fund				
Assets				
Cash and cash equivalents	\$ 224,956	\$ 105,272,963	\$ 103,764,432	\$ 1,733,487
Receivables				
Accounts and contracts	<u>509,081</u>	<u>1,383,938</u>	<u>1,791,491</u>	<u>101,528</u>
Total assets	<u>\$ 734,037</u>	<u>\$ 106,656,901</u>	<u>\$ 105,555,923</u>	<u>\$ 1,835,015</u>
Liabilities				
Due to other units of government	<u>\$ 734,037</u>	<u>\$ 175,883,457</u>	<u>\$ 174,782,479</u>	<u>\$ 1,835,015</u>
Center City Façade Improvements Fund				
Assets				
Cash and cash equivalents	\$ 150,095	\$ 2,163	\$ 54,750	\$ 97,508
Receivables				
Accounts and contracts	10,000	10,000	2,000	18,000
Accrued interest and other	<u>30</u>	<u>167</u>	<u>118</u>	<u>79</u>
Total assets	<u>\$ 160,125</u>	<u>\$ 12,330</u>	<u>\$ 56,868</u>	<u>\$ 115,587</u>
Liabilities				
Accounts payable	\$ -	\$ 39,750	\$ 39,750	\$ -
Due to foundations	<u>160,125</u>	<u>115,587</u>	<u>160,125</u>	<u>115,587</u>
Total liabilities	<u>\$ 160,125</u>	<u>\$ 155,337</u>	<u>\$ 199,875</u>	<u>\$ 115,587</u>
Total All Agency Funds				
Assets				
Cash and cash equivalents	\$ 2,195,374	\$ 150,221,627	\$ 149,558,230	\$ 2,858,771
Accounts and contracts	549,412	1,393,938	1,805,138	138,212
Accrued interest and other	38	234	162	110
Prepays	<u>88,443</u>	<u>79,242</u>	<u>88,443</u>	<u>79,242</u>
Total assets	<u>\$ 2,833,267</u>	<u>\$ 151,695,041</u>	<u>\$ 151,451,973</u>	<u>\$ 3,076,335</u>
Liabilities				
Accounts payable	\$ -	\$ 96,573	\$ 96,573	\$ -
Accrued payroll liabilities	1,872,495	45,829,128	46,626,703	1,074,920
Due to foundations	200,268	152,261	200,268	152,261
Due to other units of government	<u>760,504</u>	<u>175,897,596</u>	<u>174,808,946</u>	<u>1,849,154</u>
Total liabilities	<u>\$ 2,833,267</u>	<u>\$ 221,975,558</u>	<u>\$ 221,732,490</u>	<u>\$ 3,076,335</u>

City of Midland, Michigan
Other Supplementary Information
Internal Service Funds
Fund Descriptions
Year Ended June 30, 2016

Internal Service Funds

Internal Service Funds are used to account for operations that provide services to other departments or agencies of the City, or to other governments, on a cost reimbursement basis.

Information Services Fund – This fund accounts for the operations of the City's Information Services Department.

Store Revolving Fund – This fund accounts for the revenue and expenses associated with inventory items consumed by various departments and note specific to any one department.

Equipment Revolving Fund – This fund accounts for the rental charges of City-owned equipment to other City departments.

Municipal Service Center Fund – This fund accounts for the operations of the City's Municipal Service Center building.

Renewable Energy Services Fund – This fund accounts for the activities related to the City's gas-to-energy project.

Property and Liability Insurance Fund – This fund accounts for insurance expenses resulting from property and liability claims.

Health Insurance Fund – This fund accounts for revenues and expenses of the City's self-insurance program for health insurance along with the contributions toward postemployment healthcare benefits.

Special Assessment Revolving Fund – This fund accounts for the funding of the City's special assessment projects.

Municipal Service Annex Fund – This fund accounts for the operations of the City's Municipal Service Annex building.

City of Midland, Michigan
Other Supplementary Information
Internal Service Funds
Combining Statement of Net Position
June 30, 2016

	Information Services Fund	Store Revolving Fund	Equipment Revolving Fund	Municipal Service Center Fund	Renewable Energy Services Fund	Property and Liability Insurance Fund	Health Insurance Fund	Special Assessment Revolving Fund	Municipal Service Annex Fund	Total
Assets										
Current assets										
Cash and cash equivalents	\$ 2,459,342	\$ 38,094	\$ 3,123,764	\$ 895,001	\$ 720,344	\$ 1,603,273	\$ 4,565,508	\$ 1,929,684	\$ 89,509	\$ 15,424,519
Receivables - net of allowances										
Customers	-	-	-	-	233,485	-	-	-	-	233,485
Special assessments, current	-	-	-	-	-	-	-	62,421	-	62,421
Accounts and contracts	726	-	18,065	-	-	70,515	24,405	28,985	-	142,696
Accrued interest	1,936	15	2,339	696	478	-	3,533	1,543	71	10,611
Inventories	-	453,852	307,751	-	-	-	-	-	-	761,603
Prepaid items	-	-	-	-	-	6,584	192,261	-	-	198,845
Total current assets	<u>2,462,004</u>	<u>491,961</u>	<u>3,451,919</u>	<u>895,697</u>	<u>954,307</u>	<u>1,680,372</u>	<u>4,785,707</u>	<u>2,022,633</u>	<u>89,580</u>	<u>16,834,180</u>
Noncurrent assets										
Special assessments receivable	-	-	-	-	-	-	-	330,815	-	330,815
Capital assets not being depreciated	-	-	-	55,000	-	-	-	-	-	55,000
Capital assets, net of accumulated depreciation	<u>60,212</u>	<u>-</u>	<u>6,312,504</u>	<u>1,402,149</u>	<u>7,445,818</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>265,972</u>	<u>15,486,655</u>
Total noncurrent assets	<u>60,212</u>	<u>-</u>	<u>6,312,504</u>	<u>1,457,149</u>	<u>7,445,818</u>	<u>-</u>	<u>-</u>	<u>330,815</u>	<u>265,972</u>	<u>15,872,470</u>
Total assets	<u>2,522,216</u>	<u>491,961</u>	<u>9,764,423</u>	<u>2,352,846</u>	<u>8,400,125</u>	<u>1,680,372</u>	<u>4,785,707</u>	<u>2,353,448</u>	<u>355,552</u>	<u>32,706,650</u>
Deferred outflows of resources										
Deferred amount relating to net pension liability - MERS	<u>348,709</u>	<u>-</u>	<u>619,230</u>	<u>4,298</u>	<u>74,437</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,046,674</u>
Total assets and deferred outflows of resources	<u>2,870,925</u>	<u>491,961</u>	<u>10,383,653</u>	<u>2,357,144</u>	<u>8,474,562</u>	<u>1,680,372</u>	<u>4,785,707</u>	<u>2,353,448</u>	<u>355,552</u>	<u>33,753,324</u>
Liabilities										
Current liabilities										
Accounts payable	5,560	958	42,023	409	20,902	72,514	15,203	-	77	157,646
Due to other funds	-	-	-	-	21,258	-	-	-	-	21,258
Accrued interest	-	-	-	-	29,781	-	-	-	-	29,781
Estimated healthcare claims	-	-	-	-	-	-	459,485	-	-	459,485
Total current liabilities	<u>5,560</u>	<u>958</u>	<u>42,023</u>	<u>409</u>	<u>71,941</u>	<u>72,514</u>	<u>474,688</u>	<u>-</u>	<u>77</u>	<u>668,170</u>

City of Midland, Michigan
Other Supplementary Information
Internal Service Funds
Combining Statement of Net Position
June 30, 2016

	Information Services Fund	Store Revolving Fund	Equipment Revolving Fund	Municipal Service Center Fund	Renewable Energy Services Fund	Property and Liability Insurance Fund	Health Insurance Fund	Special Assessment Revolving Fund	Municipal Service Annex Fund	Total
Noncurrent liabilities										
Net pension liability	\$ 1,819,999	\$ -	\$ 3,164,992	\$ 36,599	\$ 408,325	\$ -	\$ -	\$ -	\$ -	\$ 5,429,915
Current portion of noncurrent liabilities	46,814	-	59,089	-	265,000	-	-	-	-	370,903
Advances from other funds	-	-	-	-	309,025	-	-	-	-	309,025
Long-term debt net of current portion	<u>102,467</u>	<u>-</u>	<u>29,767</u>	<u>-</u>	<u>4,500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,632,234</u>
 Total noncurrent liabilities	 <u>1,969,280</u>	 <u>-</u>	 <u>3,253,848</u>	 <u>36,599</u>	 <u>5,482,350</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>10,742,077</u>
 Total liabilities	 <u>1,974,840</u>	 <u>958</u>	 <u>3,295,871</u>	 <u>37,008</u>	 <u>5,554,291</u>	 <u>72,514</u>	 <u>474,688</u>	 <u>-</u>	 <u>77</u>	 <u>11,410,247</u>
 Deferred inflows of resources										
Deferred amount relating to net pension liability - MERS	<u>13,253</u>	<u>-</u>	<u>23,595</u>	<u>151</u>	<u>2,811</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>39,810</u>
 Total liabilities and deferred inflows of resources	 <u>1,988,093</u>	 <u>958</u>	 <u>3,319,466</u>	 <u>37,159</u>	 <u>5,557,102</u>	 <u>72,514</u>	 <u>474,688</u>	 <u>-</u>	 <u>77</u>	 <u>11,450,057</u>
 Net position										
Net investment in capital assets	60,212	-	6,312,504	1,457,149	2,680,818	-	-	-	265,972	10,776,655
Unrestricted	<u>822,620</u>	<u>491,003</u>	<u>751,683</u>	<u>862,836</u>	<u>236,642</u>	<u>1,607,858</u>	<u>4,311,019</u>	<u>2,353,448</u>	<u>89,503</u>	<u>11,526,612</u>
 Total net position	 <u>\$ 882,832</u>	 <u>\$ 491,003</u>	 <u>\$ 7,064,187</u>	 <u>\$ 2,319,985</u>	 <u>\$ 2,917,460</u>	 <u>\$ 1,607,858</u>	 <u>\$ 4,311,019</u>	 <u>\$ 2,353,448</u>	 <u>\$ 355,475</u>	 <u>\$ 22,303,267</u>

City of Midland, Michigan
Other Supplementary Information
Internal Service Funds
Combining Statement of Revenues, Expenses, and Change in Net Position
For the Year Ended June 30, 2016

	Information Services Fund	Store Revolving Fund	Equipment Revolving Fund	Municipal Service Center Fund	Renewable Energy Services Fund	Property and Liability Insurance Fund	Health Insurance Fund	Special Assessment Revolving Fund	Municipal Service Annex Fund	Total
Operating revenue										
Billings to other funds	\$ 1,210,883	\$ -	\$ -	\$ -	\$ 963,124	\$ 516,313	\$ 9,007,084	\$ -	\$ -	\$ 11,697,404
Rental income	-	-	3,959,859	373,389	-	-	-	-	34,744	4,367,992
Other revenue	1,658	566,040	260,493	564	-	554,887	593,530	372,594	-	2,349,766
Total operating revenue	1,212,541	566,040	4,220,352	373,953	963,124	1,071,200	9,600,614	372,594	34,744	18,415,162
Operating expenses										
Operations	1,247,656	573,990	3,115,421	227,807	760,910	1,605,930	10,473,743	-	20,494	18,025,951
Depreciation	23,419	-	1,254,145	109,760	656,506	-	-	-	6,185	2,050,015
Total operating expenses	1,271,075	573,990	4,369,566	337,567	1,417,416	1,605,930	10,473,743	-	26,679	20,075,966
Operating income (loss)	(58,534)	(7,950)	(149,214)	36,386	(454,292)	(534,730)	(873,129)	372,594	8,065	(1,660,804)
Nonoperating revenue										
Interest income	4,764	56	5,595	1,669	1,194	-	9,095	14,094	170	36,637
Gain on disposition of assets	1,125	-	198,375	-	-	-	-	-	-	199,500
Total nonoperating revenues	5,889	56	204,524	1,669	1,194	4,375	9,095	14,094	170	241,066
Income (loss) before contributions and transfers	(52,645)	(7,894)	55,310	38,055	(453,098)	(530,355)	(864,034)	386,688	8,235	(1,419,738)
Capital contributions	-	-	19,032	-	-	-	-	-	-	19,032
Transfers in	-	-	-	-	60,000	-	-	15,494	-	75,494
Transfers out	-	-	-	-	-	-	-	(39,091)	-	(39,091)
Change in net position	(52,645)	(7,894)	74,342	38,055	(393,098)	(530,355)	(864,034)	363,091	8,235	(1,364,303)
Net position - beginning of year	935,477	498,897	6,989,845	2,281,930	3,310,558	2,138,213	5,175,053	1,990,357	347,240	23,667,570
Net position - end of year	\$ 882,832	\$ 491,003	\$ 7,064,187	\$ 2,319,985	\$ 2,917,460	\$ 1,607,858	\$ 4,311,019	\$ 2,353,448	\$ 355,475	\$ 22,303,267

City of Midland, Michigan
Other Supplementary Information
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2016

	Information Services Fund	Store Revolving Fund	Equipment Revolving Fund	Municipal Service Center Fund	Renewable Energy Services Fund	Property and Liability Insurance Fund	Health Insurance Fund	Special Assessment Revolving Fund	Municipal Service Annex Fund	Total
Cash flows from operating activities										
Receipts from customers	\$ 1,658	\$ 566,040	\$ 4,235,213	\$ 373,407	\$ -	\$ 1,402,360	\$ 595,010	\$ 641,710	\$ 34,688	\$ 7,850,086
Receipts from other funds	1,209,414	-	-	-	992,069	516,313	9,007,084	-	-	11,724,880
Payments to suppliers	(224,773)	(619,701)	(1,330,294)	(227,824)	(239,826)	(1,560,172)	(10,263,725)	-	(18,416)	(14,484,731)
Payments to employees	(879,320)	-	(1,619,046)	(10,967)	(760,910)	-	-	-	(2,106)	(3,272,349)
Net cash provided (used) by operating activities	106,979	(53,661)	1,285,873	134,616	(8,667)	358,501	(661,631)	641,710	14,166	1,817,886
Cash flows from noncapital financing activities										
Transfer from other funds	-	-	-	-	60,000	-	-	15,494	-	75,494
Transfers to other funds	-	-	-	-	-	-	-	(39,091)	-	(39,091)
Repayment of advances from other funds	-	-	-	-	(21,259)	-	-	-	-	(21,259)
Nonoperating (expenses) revenues	-	-	-	-	-	4,375	-	-	-	4,375
Net cash provided (used) by noncapital financing activities	-	-	-	-	38,741	4,375	-	(23,597)	-	19,519
Cash flows from capital and related financing activities										
Capital contributions	-	-	19,032	-	-	-	-	-	-	19,032
Purchases/construction of capital assets	(17,220)	-	(1,262,110)	-	(22,905)	-	-	-	-	(1,302,235)
Proceeds from sale of capital assets	1,125	-	237,839	-	-	-	-	-	-	238,964
Net cash used by capital and related financing activities	(16,095)	-	(1,005,239)	-	(22,905)	-	-	-	-	(1,044,239)
Cash flows from investing activities										
Interest received	4,764	56	5,595	1,669	1,194	-	9,095	14,094	170	36,637
Net change in cash and cash equivalents	95,648	(53,605)	286,229	136,285	8,363	362,876	(652,536)	632,207	14,336	829,803
Cash and cash equivalents - beginning of year	2,363,694	91,699	2,837,535	758,716	711,981	1,240,397	5,218,044	1,297,477	75,173	14,594,716
Cash and cash equivalents - end of year	<u>\$ 2,459,342</u>	<u>\$ 38,094</u>	<u>\$ 3,123,764</u>	<u>\$ 895,001</u>	<u>\$ 720,344</u>	<u>\$ 1,603,273</u>	<u>\$ 4,565,508</u>	<u>\$ 1,929,684</u>	<u>\$ 89,509</u>	<u>\$ 15,424,519</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities										
Operating income (loss)	\$ (58,534)	\$ (7,950)	\$ (149,214)	\$ 36,386	\$ (454,292)	\$ (534,730)	\$ (873,129)	\$ 372,594	\$ 8,065	\$ (1,660,804)
Adjustments to reconcile operating income to net cash from operating activities										
Depreciation and amortization expense	23,419	-	1,254,145	109,760	656,506	-	-	-	6,185	2,050,015
Noncash portion of deferred outflows related to net pension liability	362,444	-	648,907	3,346	75,802	-	-	-	-	1,090,499
Changes in assets and liabilities										
Receivables (net)	(1,469)	-	14,861	(546)	28,840	847,473	1,480	269,116	(56)	1,159,699
Inventories	-	(13,122)	86,204	-	-	-	-	-	-	73,082
Prepaid items	-	-	-	-	-	(1,756)	468,481	-	-	466,725
Deferred amount relating to net pension liability - MERS	(232,559)	-	(418,010)	(1,950)	(48,151)	-	-	-	-	(700,670)
Accounts payable	1,977	(32,589)	(151,360)	(12,380)	(5,852)	47,514	(311,846)	-	(28)	(464,564)
Accrued and other liabilities	11,701	-	340	-	(261,625)	-	53,383	-	-	(196,201)
Due to other funds	-	-	-	-	105	-	-	-	-	105
Net cash provided (used) by operating activities	<u>\$ 106,979</u>	<u>\$ (53,661)</u>	<u>\$ 1,285,873</u>	<u>\$ 134,616</u>	<u>\$ (8,667)</u>	<u>\$ 358,501</u>	<u>\$ (661,631)</u>	<u>\$ 641,710</u>	<u>\$ 14,166</u>	<u>\$ 1,817,886</u>

Statistical Section

This is part of the Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplemental information says about the City's overall financial health.

The statistical section is organized into the following main categories:

- Financial trends
- Revenue capacity
- Debt capacity
- Demographic and economic information
- Operating information

Sources – Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year. The City implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

City of Midland, Michigan
Net Position by Component
Last Eight Fiscal Years

		As of June 30,							
		2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities:									
Net investment in capital assets		\$ 83,247,933	\$ 87,999,853	\$ 87,613,288	\$ 88,511,573	\$ 86,664,194	\$ 89,585,040	\$ 93,387,248	\$102,825,938
Restricted		6,714,007	7,550,391	8,459,716	8,206,252	(2) 14,341,343	12,864,614	12,887,661	16,548,177
Unrestricted (deficit)	(1)	(2,534,773)	(6,248,653)	(3,785,796)	1,210,553	2,790,283	(39,825,932)	(3) (39,810,693)	(43,957,581)
Total net position		<u>87,427,167</u>	<u>89,301,591</u>	<u>92,287,208</u>	<u>97,928,378</u>	<u>103,795,820</u>	<u>62,623,722</u>	<u>66,464,216</u>	<u>75,416,534</u>
Business-type activities:									
Net investment in capital assets		93,907,450	98,022,672	100,609,436	100,402,758	100,885,163	101,563,419	103,416,149	106,991,242
Restricted		25,000	25,000	25,000	3,263,589	(2) 3,397,088	3,455,307	-	2,300,000
Unrestricted		<u>26,937,227</u>	<u>29,793,084</u>	<u>31,156,750</u>	<u>29,981,732</u>	<u>31,710,327</u>	<u>17,167,995</u>	(3) <u>22,608,670</u>	<u>24,026,275</u>
Total net position		<u>120,869,677</u>	<u>127,840,756</u>	<u>131,791,186</u>	<u>133,648,079</u>	<u>135,992,578</u>	<u>122,186,721</u>	<u>126,024,819</u>	<u>133,317,517</u>
Primary government in total:									
Net investment in capital assets		177,155,383	186,022,525	188,222,724	188,914,331	187,549,357	191,148,459	196,803,397	209,817,180
Restricted		6,739,007	7,575,391	8,484,716	11,469,841	(2) 17,738,431	16,319,921	12,887,661	18,848,177
Unrestricted (deficit)		<u>24,402,454</u>	<u>23,544,431</u>	<u>27,370,954</u>	<u>31,192,285</u>	<u>34,500,610</u>	<u>(22,657,937)</u>	(3) <u>(17,202,023)</u>	<u>(19,931,306)</u>
Total net position		<u>\$ 208,296,844</u>	<u>\$ 217,142,347</u>	<u>\$ 224,078,394</u>	<u>\$ 231,576,457</u>	<u>\$ 239,788,398</u>	<u>\$ 184,810,443</u>	<u>\$ 192,489,035</u>	<u>\$ 208,734,051</u>

Source: City's Comprehensive Annual Financial Report

(1) 2008 was restated to incorporate 2009 prior period adjustment to defer certain revenue in the Midland Housing Fund.

(2) 2012 was restated to incorporate 2013 prior period adjustment for a change in accounting principle, due to the implementation of GASB Standards 63 and 65.

(3) 2014 was restated to incorporate a prior-period adjustment for a change in accounting principle, due to the implementation of GASB Standard 68

City of Midland, Michigan
Changes in Governmental Net Position
Last Eight Years
(Accrual basis of accounting)

	Fiscal Year Ended June 30,							
	2009	2010	2011	2012	2013	2014	2015	2016
Expenses								
General government	\$ 4,759,051	\$ 4,063,142	\$ 3,738,504	\$ 4,377,616	\$ 4,379,126	\$ 4,053,402	\$ 3,887,452	\$ 5,263,396
Public safety	14,744,737	14,806,966	15,305,454	14,954,815	15,679,391	15,596,565	16,623,855	19,183,327
Public works	9,996,061	9,632,256	8,258,151	8,853,319	9,416,912	9,188,965	8,409,654	10,776,785
Sanitation	2,492,893	2,419,772	2,475,323	2,492,955	2,398,083	3,017,452	3,245,915	3,261,473
Community and economic development	1,076,936	1,070,986	578,321	1,116,838	567,424	991,057	1,083,657	1,169,189
Parks and recreation	4,275,608	4,063,153	4,466,591	5,029,397	5,126,073	4,715,868	5,196,202	6,634,939
Library and community television	4,603,722	4,515,161	4,414,619	4,374,397	4,471,374	4,860,097	4,887,711	5,196,160
Airport	331,866	473,735	378,055	257,459	418,304	421,280	361,345	369,144
Transportation	1,872,389	1,739,854	1,738,124	1,772,164	1,901,342	1,836,649	1,961,687	2,144,140
Property tax appeals	233,979	195,163	315,612	752,824	573,260	317,798	315,967	634,724
Interest on long-term debt	729,895	702,517	668,251	633,430	589,971	586,291	506,836	441,174
Total governmental activities	<u>45,117,137</u>	<u>43,682,705</u>	<u>42,337,005</u>	<u>44,615,214</u>	<u>45,521,260</u>	<u>45,585,424</u>	<u>46,480,281</u>	<u>55,074,451</u>
Program revenues:								
Charges for services								
General government	322,003	-	-	-	-	-	-	-
Public safety	1,750	55,158	56,364	74,391	102,133	118,052	86,745	92,027
Public works	1,077,428	721,551	1,196,193	968,728	1,049,135	1,041,080	996,278	1,129,663
Sanitation	-	217,317	35,935	34,295	34,756	33,345	38,274	38,893
Community and economic development	6,375	4,451	3,725	4,875	5,100	233,717	4,475	32,345
Parks and recreation	203,733	293,757	347,276	390,375	421,685	410,641	412,815	441,471
Library and community television	1,313,894	1,347,405	1,337,765	1,368,016	1,359,160	1,365,146	1,395,346	1,390,818
Airport	197,614	196,841	248,531	322,813	258,776	269,631	210,738	197,867
Transportation	153,754	135,949	129,788	123,280	118,839	144,588	108,435	114,230
Total charges for services	<u>3,276,551</u>	<u>2,972,429</u>	<u>3,355,577</u>	<u>3,286,773</u>	<u>3,349,584</u>	<u>3,616,200</u>	<u>3,253,106</u>	<u>3,437,314</u>

City of Midland, Michigan
Changes in Governmental Net Position
Last Eight Years
(Accrual basis of accounting)

	Fiscal Year Ended June 30,							
	2009	2010	2011	2012	2013	2014	2015	2016
Operating grants and contributions	\$ 4,908,102	\$ 4,766,634	\$ 4,841,547	\$ 5,679,405	\$ 5,397,059	\$ 6,907,656	\$ 5,993,971	\$ 7,786,912
Capital grants and contributions	<u>1,183,580</u>	<u>1,388,911</u>	<u>727,076</u>	<u>1,986,926</u>	<u>4,309,370</u>	<u>2,304,230</u>	<u>1,630,546</u>	<u>10,411,312</u>
Total program revenue	<u>9,368,233</u>	<u>9,127,974</u>	<u>8,924,200</u>	<u>10,953,104</u>	<u>13,056,013</u>	<u>12,828,086</u>	<u>10,877,623</u>	<u>21,635,538</u>
Net (expense) revenue	<u>(35,748,904)</u>	<u>(34,554,731)</u>	<u>(33,412,805)</u>	<u>(33,662,110)</u>	<u>(32,465,247)</u>	<u>(32,757,338)</u>	<u>(35,602,658)</u>	<u>(33,438,913)</u>
General revenues:								
Property taxes	28,846,094	31,971,428	31,549,496	33,846,512	33,949,025	35,309,085	35,240,503	35,222,815
Other tax related revenue	2,003,766	2,072,970	2,117,699	2,108,016	2,012,014	2,289,586	2,197,581	4,411,948
Intergovernmental	3,281,751	2,918,791	2,918,791	3,187,163	3,262,543	3,343,960	3,399,564	3,396,505
Unrestricted investment earnings	554,437	106,025	72,980	59,313	44,690	48,014	42,812	87,527
Gain on sale of capital assets	202,090	344,211	12,416	303,677	-	271,934	258,664	407,713
Miscellaneous revenues	815,482	666,042	765,507	755,552	862,213	728,404	717,628	751,393
Transfers	<u>(1,128,935)</u>	<u>(1,650,312)</u>	<u>(1,038,466)</u>	<u>(841,992)</u>	<u>(1,797,796)</u>	<u>(1,783,790)</u>	<u>(2,413,600)</u>	<u>(1,886,637)</u>
Total general revenues and transfers	<u>34,574,685</u>	<u>36,429,155</u>	<u>36,398,423</u>	<u>39,418,241</u>	<u>38,332,689</u>	<u>40,207,193</u>	<u>39,443,152</u>	<u>42,391,264</u>
Change in governmental net position	<u>\$ (1,174,219)</u>	<u>\$ 1,874,424</u>	<u>\$ 2,985,618</u>	<u>\$ 5,756,131</u>	<u>\$ 5,867,442</u>	<u>\$ 7,449,855</u>	<u>\$ 3,840,494</u>	<u>\$ 8,952,351</u>

Source: City's Comprehensive Annual Financial Report

City of Midland, Michigan
Changes in Business-type Net Position
Last Eight Fiscal Years
(Accrual basis of accounting)

	Fiscal Year Ended June 30,							
	2009	2010	2011	2012	2013	2014	2015	2016
Operating revenue								
Water customer fees	\$ 8,241,111	\$ 9,041,009	\$ 9,383,395	\$ 10,141,703	\$ 10,223,565	\$ 10,259,149	\$ 10,590,971	\$ 10,492,849
Wastewater customer fees	5,023,302	5,244,636	5,488,692	5,470,243	5,659,485	5,741,780	5,825,591	5,965,747
Landfill use and admission charges	3,701,334	3,362,957	3,867,944	3,289,167	3,322,110	2,903,936	2,924,072	3,680,791
Civic Arena use and admission charges	1,149,686	1,077,498	1,061,241	962,949	1,000,933	1,089,540	1,099,398	1,175,430
Other use and admission charges	1,160,471	1,150,138	990,554	1,074,941	845,084	915,279	894,559	963,241
Rentals	2,783,672	2,882,931	2,912,059	2,906,171	2,902,606	2,937,966	3,064,928	3,054,138
Fines and forfeits	160,152	141,762	166,900	169,804	169,476	176,468	188,185	177,295
Other revenue	296,730	305,571	2,073,180	1,103,365	1,133,074	1,156,174	2,407,044	1,683,832
Total operating revenue	22,516,458	23,206,502	25,943,965	25,118,343	25,256,333	25,180,292	26,994,748	27,193,323
Operating expenses								
Water	3,720,724	3,750,511	3,800,821	3,945,792	4,117,868	3,987,108	4,035,899	3,965,772
Wastewater	1,272,180	1,396,730	1,363,214	1,309,094	1,265,702	1,269,146	1,310,491	1,332,227
Landfill	2,728,781	2,515,598	2,514,219	2,577,617	2,735,828	2,777,228	2,850,976	2,771,233
Civic Arena	1,186,663	967,769	958,301	812,943	811,745	831,961	836,794	872,428
Other operating	4,114,875	3,978,810	4,342,252	4,640,670	4,530,073	4,578,775	4,609,079	5,052,771
Administration	2,205,837	2,357,378	2,308,525	2,351,223	2,322,441	2,421,548	2,452,806	2,643,855
Maintenance	4,936,116	4,550,779	4,712,824	4,436,506	4,910,689	5,517,411	5,365,141	5,017,184
Other expenses	27,209	6,380	74,613	67,688	92,809	74,727	462,608	678,706
Depreciation	3,996,687	4,021,646	3,967,213	4,356,092	4,655,137	4,619,802	4,678,458	4,890,750
Total operating expenses	24,189,072	23,545,601	24,041,982	24,497,625	25,442,292	26,077,706	26,602,252	27,224,926
Operating income (loss)	(1,672,614)	(339,099)	1,901,983	620,718	(185,959)	(897,414)	392,496	(31,603)

City of Midland, Michigan
Changes in Business-type Net Position
Last Eight Fiscal Years
(Accrual basis of accounting)

	Fiscal Year Ended June 30,							
	2009	2010	2011	2012	2013	2014	2015	2016
Nonoperating revenue (expenses)								
Federal grant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,708
State grant	-	-	-	-	-	-	-	3,118
Interest income (losses)	215,574	219,266	212,289	94,324	44,213	211,615	37,561	73,919
Contractual revenues	1,003,592	847,664	504,154	453,978	683,454	796,982	430,590	461,288
Gain(loss) on disposition of assets	(32,336)	12,195	(16,356)	(978)	62,766	(36,337)	(24,827)	(7,522)
Sales of meals - revenue	497,666	530,282	-	-	-	-	-	-
Sales of meals - expenses	(625,606)	(657,883)	-	-	-	-	-	-
Other revenue	641,925	623,984	-	7,335	304,625	122	-	10,106
Interest expense	(881,393)	(776,434)	(683,148)	(618,300)	(531,576)	(500,999)	(443,740)	(294,006)
Other expenses	(121,236)	(128,889)	-	-	-	-	-	-
Total non-operating revenues (expenses)	<u>698,186</u>	<u>670,185</u>	<u>16,939</u>	<u>(63,641)</u>	<u>563,482</u>	<u>471,383</u>	<u>(416)</u>	<u>265,611</u>
Income (loss) - before contributions and transfers	(974,428)	331,086	1,918,922	557,077	377,523	(426,031)	392,080	234,008
Capital contributions	1,426,045	452,000	813,196	858,000	386,559	1,459,632	526,929	5,662,030
Operating transfers in	1,210,497	1,661,116	1,160,466	1,440,432	1,949,796	1,949,647	2,523,600	1,993,609
Operating transfers out	<u>(81,562)</u>	<u>(10,804)</u>	<u>(122,000)</u>	<u>(598,440)</u>	<u>(152,000)</u>	<u>(165,857)</u>	<u>(110,000)</u>	<u>(106,972)</u>
Change in net position	1,580,552	2,433,398	3,770,584	2,257,069	2,561,878	2,817,391	3,332,609	7,782,675
Some amounts reported for business-type activities in the statement of activities are different because of net revenue (expense) of certain internal services is reported with business-type activities.	<u>73,099</u>	<u>4,537,681</u>	<u>179,846</u>	<u>(324,263)</u>	<u>(217,379)</u>	<u>(88,776)</u>	<u>505,489</u>	<u>(489,977)</u>
Change in net position of business-type activities	<u>\$ 1,653,651</u>	<u>\$ 6,971,079</u>	<u>\$ 3,950,430</u>	<u>\$ 1,932,806</u>	<u>\$ 2,344,499</u>	<u>\$ 2,728,615</u>	<u>\$ 3,838,098</u>	<u>\$ 7,292,698</u>
Total primary government changes in net position	<u>\$ 479,432</u>	<u>\$ 8,845,503</u>	<u>\$ 6,936,048</u>	<u>\$ 7,688,937</u>	<u>\$ 8,211,941</u>	<u>\$ 10,178,470</u>	<u>\$ 7,678,592</u>	<u>\$ 16,245,049</u>

Source: City's Comprehensive Annual Financial Report

City of Midland, Michigan
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund:										
Non-spendable	\$ -	\$ -	\$ -	\$ -	\$ 136,717	\$ 133,810	\$ 112,293	\$ 131,276	\$ 112,689	\$ 109,727
Reserved/restricted	26,171,316	16,395,961	503,605	608,739	-	-	-	-	-	-
Committed	-	-	-	-	1,202,239	3,316,281	3,475,477	4,070,246	4,715,292	5,132,253
Assigned	-	-	-	-	570,175	441,498	724,234	1,587,549	2,521,867	1,811,616
Unreserved/unassigned	<u>7,386,734</u>	<u>8,481,194</u>	<u>5,946,963</u>	<u>6,489,409</u>	<u>5,381,543</u>	<u>4,847,648</u>	<u>4,673,073</u>	<u>5,381,936</u>	<u>5,569,212</u>	<u>5,548,543</u>
Total general fund	33,558,050	24,877,155	6,450,568	7,098,148	7,290,674	8,739,237	8,985,077	11,171,007	12,919,060	12,602,139
All other governmental funds:										
Non-spendable	-	-	-	-	544,266	260,964	262,318	263,948	377,847	233,492
Reserved/restricted	5,678,635	4,813,284	2,364,469	3,455,381	1,991,078	8,321,213	14,079,025	11,403,386	11,126,587	15,048,316
Committed	-	-	-	-	4,980,494	787,232	745,674	1,805,573	913,441	453,891
Assigned	-	-	-	-	2,280,930	2,474,649	1,505,368	1,529,650	2,185,102	2,209,352
Unreserved/unassigned	<u>7,206,067</u>	<u>6,187,985</u>	<u>5,518,346</u>	<u>5,255,550</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(295,629)</u>	<u>-</u>	<u>-</u>
Total all governmental funds	<u>\$ 46,442,752</u>	<u>\$ 35,878,424</u>	<u>\$ 14,333,383</u>	<u>\$ 15,809,079</u>	<u>\$ 17,087,442</u>	<u>\$ 20,583,295</u>	<u>\$ 25,577,462</u>	<u>\$ 25,877,935</u>	<u>\$ 27,522,037</u>	<u>\$ 30,547,190</u>

Notes:

- a. The City changed its accounting for trust deeds resulting in a restatement of the beginning fund balance for 2006-07
- b. GASB #54 was adopted in fiscal year 2011 which changed fund balance classification to depict the relative strength of spending constraints. Previous years' fund balances were not restated to reflect the implementation.
- c. The City adopted GASB 63 and 65 during fiscal year 2012-13. Beginning fund balances were restated to reflect the implementation. Information from prior years has not been restated or

Source: City's Comprehensive Annual Financial Report

City of Midland, Michigan
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenue										
Taxes	\$ 32,851,962	\$ 32,780,512	\$ 29,856,356	\$ 32,958,572	\$ 32,601,169	\$ 34,821,993	\$ 33,949,025	\$ 35,309,085	\$ 35,240,503	\$ 35,222,815
Other tax related revenue	1,245,590	1,284,513	993,504	1,085,826	1,066,026	1,132,535	2,012,014	2,289,586	2,197,581	4,411,948
Licenses and permits	610,552	723,926	691,818	589,383	826,957	697,201	687,480	705,846	615,087	780,344
Federal grants	952,997	1,091,510	589,931	720,821	639,710	768,916	583,218	512,378	1,790,873	1,506,675
Intergovernmental - other	8,668,945	8,304,033	7,626,527	6,999,278	7,172,217	9,285,967	8,980,832	8,082,919	8,440,204	9,796,443
Charges for services	3,402,244	3,730,365	4,039,431	3,955,473	3,903,492	3,895,197	3,738,361	3,781,899	3,934,671	3,959,152
Use and admission charges	190,969	179,457	203,733	202,759	256,399	266,000	282,393	304,482	289,388	320,406
Interest income	3,314,070	2,167,082	554,437	106,028	72,980	59,313	44,671	50,441	44,947	87,527
Contributions and other revenues	1,777,651	1,886,786	1,564,536	1,671,296	2,041,456	2,043,569	4,787,548	3,666,261	2,361,388	2,250,039
Total revenue	<u>53,014,980</u>	<u>52,148,184</u>	<u>46,120,273</u>	<u>48,289,436</u>	<u>48,580,406</u>	<u>52,970,691</u>	<u>55,065,542</u>	<u>54,702,897</u>	<u>54,914,642</u>	<u>58,335,349</u>
Expenditures										
Current:										
General government	4,904,021	5,219,281	6,529,289	6,221,120	6,045,687	6,213,044	6,139,588	5,812,138	6,140,897	6,340,081
Public safety	12,072,103	12,667,757	14,768,233	14,867,678	15,779,974	15,182,480	15,724,988	15,942,908	15,826,112	16,553,084
Public works	5,373,310	6,203,605	6,445,296	5,988,481	5,850,900	5,361,940	5,858,277	5,860,312	5,744,942	6,017,698
Sanitation	2,209,944	2,344,715	2,500,680	2,480,790	2,491,420	2,542,662	2,450,295	3,116,963	3,214,241	3,058,597
Community and economic development	938,099	911,615	1,075,003	1,077,207	579,551	1,116,817	566,585	987,265	1,072,069	1,146,158
Parks and recreation	3,419,246	3,471,155	4,115,310	3,971,848	4,262,675	4,773,512	4,888,990	4,625,415	4,832,184	5,313,123
Library and community television	3,767,747	3,901,737	4,358,371	4,270,662	4,161,210	4,132,462	4,079,055	4,465,518	4,185,644	4,257,415
Airport	282,341	308,020	295,589	285,333	326,472	429,792	362,084	357,187	313,461	288,406
Transportation	1,651,533	1,676,251	1,730,521	1,693,097	1,629,824	1,715,709	1,819,483	1,776,592	1,822,045	1,869,850
Property tax appeals	10,080,498	13,310,099	36,535,706	195,163	315,612	752,824	573,260	317,798	315,967	634,724
Other functions	4,877,761	5,056,228	236,363	1,216	-	-	-	-	-	-
Capital outlay	7,571,908	6,163,166	4,093,449	3,400,930	3,287,839	4,596,798	4,125,670	7,701,939	6,765,986	6,695,692
Debt service										
Principal retirement	75,000	100,000	930,000	930,000	965,000	1,000,000	1,040,000	1,085,000	1,130,000	1,175,000
Interest and fiscal charges	12,161	4,255	594,207	686,907	652,854	618,243	582,106	546,394	501,793	455,878
Bond issuance costs	-	-	106,177	-	-	-	-	-	-	62,413
Total expenditures	<u>57,235,672</u>	<u>61,337,884</u>	<u>84,314,194</u>	<u>46,070,432</u>	<u>46,349,018</u>	<u>48,436,283</u>	<u>48,210,381</u>	<u>52,595,429</u>	<u>51,865,341</u>	<u>53,868,119</u>
Excess of revenue over (under) expenditures	<u>\$ (4,220,692)</u>	<u>(9,189,700)</u>	<u>(38,193,921)</u>	<u>2,219,004</u>	<u>2,231,388</u>	<u>4,534,408</u>	<u>6,855,161</u>	<u>2,107,468</u>	<u>3,049,301</u>	<u>4,467,230</u>

City of Midland, Michigan
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Proceeds from sale of capital assets	\$ 82,817	\$ 202,853	\$ 231,991	\$ 373,270	\$ 12,416	\$ 303,677	\$ -	\$ 292,266	\$ 275,233	\$ 418,550
Issuance of debt	-	-	17,890,000	-	-	-	-	-	-	7,725,000
Bond discount	-	-	(212,243)	-	-	-	-	-	-	(7,662,587)
Operating transfers in	6,928,776	3,990,577	6,250,006	6,112,146	5,475,599	5,365,648	5,775,177	5,447,117	5,950,157	6,821,336
Operating transfers out	(8,515,227)	(5,568,058)	(7,240,941)	(7,228,724)	(6,441,040)	(6,707,880)	(7,636,171)	(7,546,379)	(7,630,589)	(8,744,376)
Total other financing sources (uses)	<u>(1,503,634)</u>	<u>(1,374,628)</u>	<u>16,918,813</u>	<u>(743,308)</u>	<u>(953,025)</u>	<u>(1,038,555)</u>	<u>(1,860,994)</u>	<u>(1,806,996)</u>	<u>(1,405,199)</u>	<u>(1,442,077)</u>
Net change in fund balances	<u>(5,724,326)</u>	<u>(10,564,328)</u>	<u>(21,275,108)</u>	<u>1,475,696</u>	<u>1,278,363</u>	<u>3,495,853</u>	<u>4,994,167</u>	<u>300,472</u>	<u>1,644,102</u>	<u>3,025,153</u>
Fund balances - beginning of year	52,167,078	46,442,752	35,878,424	14,333,383	15,809,079	17,087,442	20,583,295	25,577,463	25,877,935	27,522,037
Prior period adjustment	-	-	(269,933)	-	-	-	-	-	-	-
Fund balances - beginning of year restated	<u>52,167,078</u>	<u>46,442,752</u>	<u>35,608,491</u>	<u>14,333,383</u>	<u>15,809,079</u>	<u>17,087,442</u>	<u>20,583,295</u>	<u>25,577,463</u>	<u>25,877,935</u>	<u>27,522,037</u>
Fund Balances - end of year	<u>\$ 46,442,752</u>	<u>\$ 35,878,424</u>	<u>\$ 14,333,383</u>	<u>\$ 15,809,079</u>	<u>\$ 17,087,442</u>	<u>\$ 20,583,295</u>	<u>\$ 25,577,462</u>	<u>\$ 25,877,935</u>	<u>\$ 27,522,037</u>	<u>\$ 30,547,190</u>
Debt service as a percentage of noncapital expenditures	0.17%	0.18%	1.91%	3.82%	3.85%	3.70%	3.70%	3.62%	3.73%	3.39%

- Notes:
- The City changed ints accounting for trust deeds resulting in a restatement of the beginning fund balance for 2006-07
 - GASB #54 was adopted in fiscal year 2011 which changed fund balance classification to depict the relative strength of spending constraints. Previous years' fund balances were not restated to reflect the implementation.
 - The City adopted GASB 63 and 65 during fiscal year 2012-13. Beginning fund balances were restated to reflect the implementation. Information from prior years has not been restated on this schedule.

Source: City's Comprehensive Annual Financial Report

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

City of Midland, Michigan
Taxable Value and Assessed Value of Taxable Property
Last Ten Fiscal Years

Taxable Value by Property Type:

Real property:

Tax Year	Residential	Commercial	Industrial	Personal Property	IFT	Total Taxable	Tax Rate (mills)	Total Assessed Value	Taxable Value as a % of Assessed
2006	\$ 956,874,300	\$ 261,931,600	\$ 900,622,800	\$ 390,489,900	\$ 103,285,200	\$ 2,613,203,800	12.10	\$ 2,835,912,600	92.15%
2007	985,927,900	275,311,300	852,016,300	411,946,800	116,559,600	2,641,761,900	12.24	2,814,224,200	93.87
2008	971,965,400	277,831,600	428,969,200	413,179,000	153,897,600	2,245,842,800	12.99	2,310,292,800	97.21
2009	979,020,097	297,391,800	437,612,915	443,958,900	186,616,300	2,344,600,012	13.94	2,390,601,500	98.08
2010	951,562,970	316,006,033	611,162,938	424,376,400	215,828,097	2,518,936,438	13.94	2,563,694,950	98.25
2011	952,144,178	327,111,317	638,919,909	444,685,633	210,469,800	2,573,330,837	14.79	2,619,321,633	98.24
2012	958,884,435	330,886,336	257,136,486	654,870,458	201,655,272	2,403,432,987	14.79	2,441,872,370	98.43
2013	959,609,754	333,110,965	274,004,530	758,978,000	193,860,700	2,519,563,949	15.08	2,558,592,000	98.47
2014	969,556,079	349,087,802	279,241,087	734,932,000	182,995,100	2,515,812,068	15.04	2,561,941,100	98.20
2015	979,134,599	373,540,395	277,562,138	728,568,800	181,073,100	2,539,879,032	15.00	2,588,238,100	98.13

Note: Under Michigan law, the revenue base is taxable value

Taxes levied in a particular "tax year" become revenue of the subsequent fiscal year

Source: City Assessing Department

City of Midland, Michigan
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

Millage Rates - Direct City Taxes				Overlapping Taxes												
Tax Year	General	Debt	Total					Bay/Arenac	Midland	School:		School:	School:	School: Non-	School:	
	Operating		Direct	Midland		Delta	State	Intermediate	Intermediate	School:	Non-	Commercial	Homestead	homestead	Commercial	
	(1)		Taxes*	County	Bay County	College	Education	School	School	Homestead	homestead	Property	Bullock	Bullock	Property	
				County				District	District	Midland	Midland	Midland	Creek	Creek	Bullock	
2006	11.8700	0.2300	12.1000	8.0555	9.7100	2.0427	6.0000	4.9233	1.1756	5.3284	20.0000	-	7.0000	25.0000	-	
2007	12.0000	0.2400	12.2400	8.5555	10.8096	2.0427	6.0000	4.9233	1.1756	5.2129	20.0000	-	7.0000	25.0000	-	
2008	12.7000	0.2900	12.9900	8.7055	10.8138	2.0427	6.0000	(3) 4.9233	1.1756	4.2942	20.0000	10.2942	(2) 7.0000	25.0000	13.0000	(2)
2009	13.6700	0.2700	13.9400	8.8355	10.8138	2.0427	6.0000	(3) 4.9233	2.6756	2.7890	18.5000	8.7890	(2) 7.0000	25.0000	13.0000	(2)
2010	13.6700	0.2700	13.9400	8.8355	10.7138	2.0427	6.0000	(3) 4.9233	2.6756	2.7091	18.5000	8.7091	(2) 7.0000	25.0000	13.0000	(2)
2011	14.5000	0.2900	14.7900	8.8355	10.8138	2.0427	6.0000	(3) 4.9233	2.6756	2.0909	18.5000	8.0909	(2) 7.0000	25.0000	13.0000	(2)
2012	14.5000	0.2900	14.7900	8.8355	11.4638	2.0427	6.0000	(3) 4.9233	2.6756	1.9499	18.0000	7.9499	(2) 7.0000	25.0000	13.0000	(2)
2013	14.8000	0.2800	15.0800	9.1355	11.4638	2.0427	6.0000	(3) 4.9233	2.6756	1.7914	18.0000	6.7914	(2) 7.0000	25.0000	13.0000	(2)
2014	14.7600	0.2800	15.0400	8.8880	11.4638	2.0427	6.0000	(3) 4.9233	2.6756	1.7400	18.0000	8.7400	(2) 7.0000	25.0000	13.0000	(2)
2015	14.7400	0.2600	15.0000	9.9605	11.4638	2.0427	6.0000	(3) 4.9233	2.6756	4.7266	20.9500	10.7266	(2) 7.0000	25.0000	13.0000	(2)

* includes voter approved debt millage

Note: Tax rates are applied upon each \$1,000 of taxable value

- (1) City Charter authorizes 18 mills, but the State of Michigan Constitution (Headlee Amendment) restricts the maximum millage that may be levied by the City without a vote of our residents to 17.87 mills for General Operating.
- (2) Public Act 37 of 2007 amended MCL 380.1211 to exempt Commercial Personal Property from up to 12 mills of local school district operating millage.
- (3) Public Act 38 of 2007 amednded MCL 211.903, to exempt all property classified as Industrial Personal Property from payment of the State Education Tax (SET).
- Public Act 37 of 2007 amended MCL 380.1211 to exempt Industrial Personal Property from up to 18 mills of school operating millage.

Source: City Assessing Department

City of Midland, Michigan
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

Overlapping Taxes				Total Tax Rate											
Tax Year	School:	School:	School:	Non-		Non-	Non-	Non-		Non-	Non-	Non-		Non-	Non-
	Homestead	Non-	Commercial	Homestead	Non-	homestead	homestead	Homestead	homestead	homestead	homestead	Homestead	homestead	Commercial	Non-
	Bay City	Bay City	Property Bay City	Midland	Midland	Commercial Midland	Industrial Midland	Bullock Creek	Bullock Creek	Commercial Bullock	Industrial Bullock	Bay City	Bay City	Bay City	Industrial Bay City
2006	2.3500	20.0247	-	34.7022	49.3738	-	-	36.3738	54.3738	-	-	37.1260	54.8007	-	-
2007	2.3500	20.3500	-	35.2267	50.0138	-	-	37.0138	55.0138	-	-	38.3656	56.3656	-	-
2008	2.3500	20.3500	8.3500 (2)	35.2080	50.9138	41.2080 (2)	29.2080 (3)	37.9138	55.9138	43.9138 (2)	31.9138 (3)	39.1198 (3)	57.1198	45.1198 (2)	33.1198 (3)
2009	2.3500	20.3500	8.3500 (2)	36.2828	51.9938	42.2828 (2)	30.2828 (3)	40.4938	58.4938	46.4938 (2)	34.4938 (3)	40.0698 (3)	58.0698	46.0698 (2)	34.0698 (3)
2010	2.8000	20.8000	8.8000 (2)	36.2029	51.9938	42.2029 (2)	30.2029 (3)	40.4938	58.4938	46.4938 (2)	34.4938 (3)	40.4198 (3)	58.4198	46.4198 (2)	34.4198 (3)
2011	2.9900	20.9900	8.9900 (2)	36.4347	52.8438	42.4347 (2)	30.4347 (3)	41.3438	59.3438	47.3438 (2)	35.3438 (3)	41.5598 (3)	59.5598	47.5598 (2)	35.5598 (3)
2012	2.9900	20.9900	8.9900 (2)	36.2937	52.3438	42.2937 (2)	30.2937 (3)	41.3438	59.3438	47.3438 (2)	35.3438 (3)	42.2098 (3)	60.2098	48.2098 (2)	36.2098 (3)
2013	2.9900	20.9900	8.9900 (2)	36.7252	52.9338	41.7252 (2)	30.7252 (3)	41.9338	59.9338	47.9338 (2)	35.9338 (3)	42.4998 (3)	60.4998	48.4998 (2)	36.4998 (3)
2014	2.9900	20.9900	8.9900 (2)	36.3863	52.6463	43.3863 (2)	30.3863 (3)	41.6463	59.6463	47.6463 (2)	35.6463 (3)	42.4598 (3)	60.4598	48.4598 (2)	36.4598 (3)
2015	2.9900	20.9900	8.9900 (2)	40.4054	56.6288	46.4054 (2)	34.4054 (3)	42.6788	60.6788	48.6788 (2)	36.6788 (3)	42.4198 (3)	60.4198	48.4198 (2)	36.4198 (3)

* includes voter approved debt millage

Note: Tax rates are applied upon each \$1,000 of taxable value

(1) City Charter authorizes 18 mills, but the State of Michigan Constitution (Headlee Amendment) restricts the maximum millage that may be levied by the City without a vote of our residents to 17.87 mills for General Operating.

(2) Public Act 37 of 2007 amended MCL 380.1211 to exempt Commercial Personal Property from up to 12 mills of local school district operating millage.

(3) Public Act 38 of 2007 amended MCL 211.903, to exempt all property classified as Industrial Personal Property from payment of the State Education Tax (SET).

Public Act 37 of 2007 amended MCL 380.1211 to exempt Industrial Personal Property from up to 18 mills of school operating millage.

Source: City Assessing Department

City of Midland, Michigan

Principal Property Tax Payers

Taxpayer		2016 Taxable Value	Percentage of total	2007 Taxable Value	Percentage of total	2007 rank
1	Dow Chemical/Dow Agrosiences	\$ 257,075,829	12.19%	\$ 350,549,900	13.88%	2
2	Midland Cogeneration Venture	209,468,700	9.94%	671,286,900	26.58%	1
3	Dow Corning	57,830,126	2.74%	122,043,300	4.83%	3
4	Trinseo LLC	33,189,700	1.57%	-	- %	-
5	Consumers Energy Company	25,331,499	1.20%	17,210,000	0.68%	4
6	Midland Downtown Partners LLC	20,201,300	0.96%	-	- %	-
7	Midland Mall LLC	18,510,060	0.88%	15,612,900	0.62%	5
8	Midland Country Club	10,119,100	0.48%	-	- %	-
9	H Hotel	9,480,989	0.45%	-	- %	-
10	Hotel Holdings LLC	8,441,505	0.40%	-	- %	-
Total		<u>\$ 649,648,808</u>	<u>30.81%</u>	<u>\$ 1,176,703,000</u>	<u>46.59%</u>	

The individual values are for real and personal property owned by the designated taxpayer, but not including industrial facilities taxable amounts.

Source: City's Assessing Department

City of Midland, Michigan
Property Tax Levies and Collections

Fiscal Year Ended June 30	Taxes Levied for Fiscal Year (Original Levy)	Adjustments *	Total Adjusted Levy	Collected within the Fiscal Year of the Levy	Percentage of Original Levy Collected	Collections in Subsequent Years	Total Collections to Date	Percentage of Total Collections to Adjusted Tax Levy
2007	\$ 29,962,104	\$ (4,654,988) (1)	\$ 25,307,116	\$ 29,948,998	99.956%	\$ (4,644,491)	\$ 25,304,507	99.990%
2008	25,949,887	9,610	25,959,497	25,939,185	99.959	20,312	25,959,497	100.000
2009	27,669,516	(5,655)	27,663,861	27,660,042	99.966	3,143	27,663,185	99.998
2010	30,629,774	(6,167)	30,623,607	30,623,319	99.979	(824)	30,622,495	99.996
2011	32,973,831	(498)	32,973,333	30,314,659	91.936	2,656,718	32,971,377	99.994
2012	35,569,456	(2,844,831)	32,724,625	32,715,296	91.976	(11,356)	32,703,940	99.937
2013	32,972,444	(89,110)	32,883,334	32,761,640	99.361	112,900	32,874,540	99.973
2014	33,821,073	(67,171)	33,753,902	33,743,484	99.771	1,441	33,744,925	99.973
2015	33,813,675	(24,802)	33,788,873	33,737,447	99.775	44,347	33,781,794	99.979
2016	34,264,769	(229,172)	34,035,597	34,027,775	99.308	-	34,027,775	99.977

* Adjustments represent changes to the levy that occur subsequent to the fiscal year; any adjustments made during the fiscal year are reflected in the original levy column.

(1) Adjustments related to the MCV tax appeal settlement. For more information see Notes to Financial Statements.

Source: City Treasurer's Office

Debt Capacity

These schedules contain information to help the reader assess the affordability of the City's current levels of outstanding debt, and the City's ability to issue additional debt in the future.

City of Midland, Michigan
Ratios of Outstanding Debt

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities										
General obligation bonds	\$ 100,000	\$ -	\$ 16,662,808	\$ 15,754,036	\$ 20,771,216	\$ 19,559,396	\$ 18,408,507	\$ 17,092,657	\$ 15,721,807	\$ 14,980,000
Capital leases	1,164,223	983,651	782,160	614,097	409,524	209,187	-	-	-	-
Total governmental activities	<u>1,264,223</u>	<u>983,651</u>	<u>17,444,968</u>	<u>16,368,133</u>	<u>21,180,740</u>	<u>19,768,583</u>	<u>18,408,507</u>	<u>17,092,657</u>	<u>15,721,807</u>	<u>14,980,000</u>
Business-type activities										
General obligation bonds	20,627,714	19,363,882	18,364,750	17,379,872	16,344,992	15,245,399	14,779,063	13,474,063	12,184,064	10,754,064
Revenue bonds	3,465,000	2,310,000	1,155,000	-	-	-	-	-	-	-
Total business-type activities	<u>24,092,714</u>	<u>21,673,882</u>	<u>19,519,750</u>	<u>17,379,872</u>	<u>16,344,992</u>	<u>15,245,399</u>	<u>14,779,063</u>	<u>13,474,063</u>	<u>12,184,064</u>	<u>10,754,064</u>
Total debt of the government	<u>\$ 25,356,937</u>	<u>\$ 22,657,533</u>	<u>\$ 36,964,718</u>	<u>\$ 33,748,005</u>	<u>\$ 37,525,732</u>	<u>\$ 35,013,982</u>	<u>\$ 33,187,570</u>	<u>\$ 30,566,720</u>	<u>\$ 27,905,871</u>	<u>\$ 25,734,064</u>
Total population (1)	41,551	41,054	40,917	40,807	41,863	41,863	42,020	42,202	42,181	42,200
Total debt per capita	\$ 610	\$ 552	\$ 903	\$ 827	\$ 896	\$ 836	\$ 790	\$ 724	\$ 662	\$ 610
Total per capita personal income (2)	\$ 26,818	\$ 26,818	\$ 26,818	\$ 29,946	\$ 30,803	\$ 30,574	\$ 32,185	\$ 31,540	\$ 31,627	\$ 30,715
Total debt per capita personal income	\$ 946	\$ 845	\$ 1,410	\$ 1,153	\$ 1,243	\$ 1,145	\$ 1,031	\$ 969	\$ 882	\$ 838
Total taxable value	\$2,509,918,600	\$2,525,202,300	\$2,091,945,200	\$2,157,983,712	\$2,303,108,341	\$2,362,861,037	\$2,201,777,715	\$2,325,703,249	\$2,332,816,968	\$2,358,805,932
Ratio of total debt to taxable value	1.01%	0.90%	1.77%	1.56%	1.63%	1.48%	1.51%	1.31%	1.20%	1.09%

(1) Estimates provided by City Planning Department

(2) US Bureau of Census

Source: City Annual Financial Statements: Population Data reported from demographics data

City of Midland, Michigan
Ratios of General Bonded Debt Outstanding

Fiscal Year	General Bonded Debt	Taxable Value	Debt as a Percentage of Taxable Value	Population	Business Type Debt	Net General Bonded and Business Type Debt	Debt Per Capita	Per Capita Personal Income	% of Personal Income
2007	\$ 100,000	\$ 2,509,918,600	0.004%	41,551 (1)	\$ 24,092,714	\$ 20,475,263	\$ 493	\$ 26,818 (2)	1.84%
2008	-	2,525,202,300	0.000%	41,054 (1)	21,673,882	17,683,381	430.73	26,818 (2)	1.61%
2009	16,662,808	2,091,945,200	0.797%	40,917 (1)	19,519,750	32,008,561	782.28	26,818 (2)	2.92%
2010	15,754,036	2,157,983,712	0.730%	40,807 (1)	17,379,872	29,999,944	735.17	29,946 (2)	2.45%
2011	20,771,216	2,303,108,341	0.902%	41,863 (1)	16,344,992	33,883,116	809.38	30,803 (2)	2.63%
2012	19,559,396	2,362,861,037	0.828%	41,863 (1)	15,245,399	31,490,293	752.22	30,574 (2)	2.46%
2013	18,408,507	2,201,777,715	0.836%	42,020 (1)	14,779,063	29,815,482	709.55	32,185 (2)	2.20%
2014	17,092,657	2,325,703,249	0.735%	42,202 (1)	13,474,063	27,111,413	642.42	31,540 (2)	2.04%
2015	15,721,807	2,332,816,968	0.674%	42,181 (1)	12,184,064	24,391,315	578.25	31,627 (2)	1.83%
2016	14,980,000	2,358,805,932	0.635%	42,200 (1)	10,754,064	22,148,810	524.85	30,715 (2)	1.71%

(1) Estimates provided by City Planning Department

(2) U.S. Bureau of the Census

Source: City's financial records

City of Midland, Michigan
Direct and Overlapping Debt

Governmental Unit	Debt Outstanding	Estimated % Applicable	Estimated Share of Overlapping Debt*
Direct debt - City of Midland	\$ 14,980,000	100.00%	\$ 14,980,000
Overlapping debt:			
Bay City School District	55,260,000	0.27%	149,202
Bullock Creek School District	9,325,000	0.44%	41,030
Midland School District	59,310,000	80.93%	47,999,583
Bay County	7,740,721	0.17%	13,159
Midland County	26,005,160	59.40%	15,447,065
Bay-Arenac Intermediate School District	<u>2,600,000</u>	0.14%	<u>3,640</u>
Total overlapping debt	<u>160,240,881</u>		<u>63,653,679</u>
Total	<u>\$ 175,220,881</u>		<u>\$ 78,633,679</u>

* Overlapping debt is calculated as the issuer's proportionate share of the debt of other local governmental units that overlap it (the issuer is located either wholly or partly within the geographic limits of the other units) or underlie it (the other units are located within the geographic limits of the issuer). The debit is generally apportioned based upon relative assessed property values.

--- Source <http://emma.msrb.org/educationcenter/Glossary.aspx>

City of Midland, Michigan
Legal Debt Margin

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt limit	\$ 283,591,260	\$ 281,422,420	\$ 231,029,280	\$ 239,060,150	\$ 256,369,495	\$ 261,932,163	\$ 244,187,237	\$ 255,859,200	\$ 256,194,110	\$ 258,823,810
Total net debt applicable to limit	20,727,714	19,363,882	35,027,558	33,133,908	37,116,208	34,804,795	33,187,570	30,566,720	27,905,871	25,734,064
Legal debt margin	\$ 262,863,546	\$ 262,058,538	\$ 196,001,722	\$ 205,926,242	\$ 219,253,287	\$ 226,063,100	\$ 210,999,667	\$ 225,292,480	\$ 228,288,239	\$ 233,089,746
Total net debt applicable to the limit as a percentage of debt limit	7.31%	6.88%	15.16%	13.86%	14.48%	13.29%	13.59%	11.95%	10.89%	9.94%

Legal Debt Margin Calculation for Fiscal Year 2016

Debt limit:	
2015 state equalized valuation	\$ 2,588,238,100
Debt limit (10% of state equalized valuation) (1)	x 10.00%
Total debt limit	258,823,810
Debt applicable to debt limit:	
Total bonded debt	25,734,064
Less: deductions allowed by law:	-
Total amount of debt applicable to debt limit	25,734,064
Legal debt margin	\$ 233,089,746

Limitations on borrowing

(1) Act 279, Public Acts of Michigan, 1909, as amended, and provisions of the City Charter state that net bonded indebtedness of the City shall not exceed 10 percent of the City's Assessed valu

- Bonds which are not required to be included in this computation of net indebtedness, according to said Act 279, are:
- A. Special Assessment Bonds
 - B. Mortgage Bonds
 - C. Motor Vehicle Highway Fund Bonds
 - D. Revenue Bonds
 - E. Bonds issued, or contracts or assessment obligation, incurred to comply with an order of the Water Resources Commission or a court of competent jurisdiction
 - F. Other obligations incurred for water supply, sewage, drainage or refuse disposal projects necessary to protect the public health by abating pollution.

City of Midland, Michigan
Pledged-Revenue Coverage

Fiscal Year	Water Revenue Bonds												
	Gross Revenues	Operating Expenses	Net Revenues	Debt service			Coverage						
				Principal	Interest	Total							
2006	\$	10,044,232	\$	7,154,593	\$	2,889,639	\$	1,155,000	\$	295,680	\$	1,450,680	1.99
2007		10,479,515		7,786,003		2,693,512		1,155,000		237,930		1,392,930	1.93
2008		10,818,541		7,747,720		3,070,821		1,155,000		180,180		1,335,180	2.30
2009		10,975,338		8,078,020		2,897,318		1,155,000		121,275		1,276,275	2.27
2010		11,216,050		8,017,287		3,198,763		-		-		-	0.00
2011		11,499,995		8,180,881		3,319,114		-		-		-	0.00
2012		11,535,436		9,457,224		2,078,212		-		-		-	0.00
2013		11,723,866		9,915,667		1,808,199		-		-		-	0.00
2014		12,037,632		10,344,900		1,692,732		-		-		-	0.00
2015		11,824,433		10,386,152		1,438,281		-		-		-	0.00
2016		11,986,070		10,045,632		1,940,438		-		-		-	0.00

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

City of Midland, Michigan
Demographic and Economic Statistics

Fiscal year	Population	Personal Income (in thousands)	Per Capita Personal Income (2)	Median Age (2)	Unemployment rate (4)
2007	41,551 (1)	(3)	26,818	36.2	4.5
2008	41,054 (1)	(3)	26,818	36.2	5.1
2009	40,917 (1)	(3)	26,818	36.2	8.5
2010	40,807 (1)	25,723 (2)	29,946	36.5	7.5
2011	41,863 (1)	26,776 (2)	30,803	36.8	6.6
2012	41,863 (1)	26,446 (2)	30,574	36.5	5.7
2013	42,020 (1)	27,811 (2)	32,185	37.6	6.1
2014	42,202 (1)	27,575 (2)	31,540	37.4	5.0
2015	42,181 (1)	28,316 (2)	31,627	37.3	4.2
2016	42,200 (1)	29,749 (2)	30,715	37.4	3.4

(1) Estimates provided by City Planning Department

(2) U.S. Bureau of the Census

(3) Information not available

(4) Michigan Department of Labor and Economic Growth

City of Midland, Michigan
Principal Employers

Taxpayer		2016 Employees (2)(3)	Percentage of Total	2007 Employees	Percentage of Total	2007 Rank
1	Dow Chemical Company	5,087	24.17%	5,800	28.56%	1
2	MidMichigan Health	2,140	10.17%	3,200	15.76%	2
3	Dow Corning Corporation	1,422	6.76%	1,350	6.65%	4
4	Midland Public Schools	954	4.53%	1,700	8.37%	3
5	Chemical Bank	591	2.81%	420	2.07%	8
6	Northwood University	438	2.08%	(1)	(1)	(1)
7	City of Midland	435	2.07%	490	2.41%	6
8	Greater Midland	426	2.02%	(1)	(1)	(1)
9	Midland County	392	1.86%	330	1.63%	9
10	Three Rivers	380	1.81%	(1)	(1)	(1)

(1) Information not available

(2) Source: Midland Tomorrow, 2016

(3) Full-time equivalents

City of Midland, Michigan
Full-time Government Employees
Last Ten Fiscal Years

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General government										
City Manager	4	4	4	4	3	4	2	2	2	2
City Clerk	4	4	4	4	4	4	4	4	4	4
City Treasurer	6	6	6	4	4	4	4	4	4	4
Assessing	5	5	5	5	4	4	4	4	4	4
City Attorney	3	3	3	3	3	3	3	3	3	3
Finance	8	8	8	8	8	8	8	8	8	8
Human Resources/Risk Management	5	5	4	4	4	4	4	4	4	4
Purchasing	1	1	1	1	1	1	1	1	1	1
Public safety:										
Police	51	51	51	51	50	50	50	50	50	50
Fire	46	46	46	46	46	46	46	46	46	46
Building inspection	7	7	7	6	6	6	6	6	6	6
Planning	6	6	6	4	4	4	4	4	4	4
Public works:										
Engineering	15	15	15	14	12	12	12	12	12	12
Public Works	39	39	38	34	33	31	30	30	29	27
Sanitation	5	5	5	5	5	5	5	5	7	7
Parks and recreation	34	34	34	29	25	26	26	26	24	26
Grace A. Dow Library	23	23	21	20	19	19	18	18	18	18
Downtown Development Authority	1	1	1	1	-	-	-	1	1	1
Dial-A-Ride	7	6	6	6	6	5	5	5	5	6
Civic Arena	-	-	-	2	2	2	2	2	2	2
Landfill	8	8	9	9	9	9	9	10	10	10
Senior Housing										
Washington Woods	7	7	7	6	6	6	6	6	6	6
Riverside Place	6	6	6	6	6	6	6	6	6	6
Currie Municipal Golf Course	-	1	3	4	7	7	7	7	-	-
Wastewater	22	22	22	20	20	20	20	20	20	20
Water	36	36	36	35	34	34	33	33	33	32
Midland Community Television	4	3	3	3	3	3	3	3	3	3
Equipment Revolving	15	15	15	15	15	15	15	13	13	13
Municipal Service Center	-	1	1	1	1	1	1	1	-	-
Information Services - Operations	7	6	6	6	6	6	5	5	5	5
Geographic Information Systems	2	2	2	2	1	1	-	-	-	-
Total	377	376	375	358	347	346	339	339	330	330

Source: City of Midland Annual Budget

Operating Information

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

City of Midland, Michigan
Operating Indicators
Last Ten Fiscal Years

Function/ Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General government										
Building permits issued	2,798	3,021	2,601	3,023	3,789	3,594	3,020	2,727	2,504	3,055
Building inspections conducted (1)	6,156	6,226	4,989	7,211	5,959	3,377	3,502	3,404	4,174	3,303
Public safety										
Police										
Physical arrests	1,256	1,274	999	1,069	1,425	1,182	1,018	1,524	1,240	1,236
Traffic violations	6,013	5,856	6,224	4,679	4,009	4,294	4,549	3,989	3,988	3,905
Investigations/complaints	15,749	15,851	14,523	13,883	13,833	13,840	13,683	13,915	13,436	14,294
Fire										
Fire runs	83	104	68	109	82	97	118	70	80	86
Rescue/medical	2,944	3,080	3,080	3,018	2,999	3,018	3,127	3,141	3,147	3,192
Hazardous	406	347	389	322	458	339	317	391	333	292
All other calls	930	963	977	1,002	1,165	1,299	1,359	1,361	1,376	1,320
Public works										
Street maintenance (millions of dollars)	\$ 2.23	\$ 2.50	\$ 2.54	\$ 1.73	\$ 1.93	\$ 1.56	\$ 1.65	\$ 2.20	\$ 1.94	\$ 1.91
Sidewalk maintenance (thousands of dollars)	\$ 372.61	\$ 436.98	\$ 405.91	\$ 364.99	\$ 218.50	\$ 121.47	\$ 117.48	\$ 148.40	\$ 143.06	\$ 268.88
Refuse collected (compacted cubic yards)	58,840	54,331	54,956	52,364	49,482	46,343	42,420	54,157	57,006	48,589
Brush and heavy item (cubic yards)	66,766	64,229	61,456	51,306	52,073	54,039	43,591	58,300	54,527	56,722
Fall leaf collection (cubic yards)(2)	15,061	15,936	16,524	17,970	15,421	17,616	16,956	16,050	16,728	15,598
Parks and recreation										
Softball teams supported	327	311	282	263	260	236	201	204	195	196
Picnic reservations (sheltered and open area)	622	488	595	603	621	626	543	550	546	613
Library										
Volumes in collection	280,100	275,085	271,152	262,065	257,203	256,631	253,104	249,169	248,849	242,440
Circulation (books borrowed)	810,133	833,798	856,376	860,380	846,487	814,529	789,851	745,669	721,496	710,047
Airport (take-offs and landings)	9,245	9,161	9,336	9,083	9,424	9,578	8,061	7,851	7,465	7,850
Landfill										
Vehicle traffic	41,192	35,393	33,839	31,235	31,947	28,817	28,201	28,863	29,349	32,294
Tons per day	635	506	628	483	699	556	615	526	489	742
Senior housing apartment complexes										
Washington Woods										
Occupancy	100%	99%	99.5%	99.0%	96.0%	94.0%	98.0%	96.0%	95.9%	91.0%
Percent turnover	24%	19%	15%	15%	24%	29%	28%	28%	22%	11%
Average age of residents	83	83	80	83	81	80	80	79	78	78
Riverside Place										
Occupancy	100%	100%	100%	100%	100%	100%	100%	100%	99%	99%
Percent turnover	32%	35%	23%	21%	25%	24%	26%	26%	33%	33%
Average age of residents	86	86	86	87	87	87	86	85	86	86

City of Midland, Michigan
Operating Indicators
Last Ten Fiscal Years

Function/ Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Public transportation (passengers served)	153,670	155,216	147,093	129,491	126,846	129,674	113,893	107,181	103,306	103,610
Sewer										
Average daily sewage treatment (MGD)	8.05	6.96	8.40	6.58	7.23	6.14	7.41	6.72	6.27	5.61
Annual sewage treatment (MG)	2,937.85	2,541.55	3,066.66	2,393.76	2,640.53	2,419.16	2,703.48	2,450.27	2,287.28	2,047.65
Water										
Finished water pumped (MG)										
Domestic	3,520.67	3,591.76	3,381.69	3,375.07	3,445.52	3,479.23	3,348.42	3,261.59	3,100.10	3,246.75
Industrial	4,175.89	4,117.73	3,584.78	3,561.20	3,695.13	4,172.44	3,790.94	3,752.69	3,894.11	4,057.97
Total	7,696.56	7,709.49	6,966.47	6,936.27	7,140.65	7,651.67	7,139.36	7,014.28	6,994.21	7,304.72

NA - Information not available

MG - Million gallons

MGD - Million gallons/day

Notes:

a. 2011 and prior accounted for by individual inspection; 2012 and later accounted for by project

b. 2015 in prior years, the quantity of leaves collected were multiplied by a compaction rate of 4. This computation has been revised and prior years have been restated.

Sources: City records, city departments, department annual reports, and city website - www.midland-mi.org

City of Midland, Michigan
Capital Asset Statistics
Last Ten Fiscal Years

Function/ Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Public safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	14	14	15	13	13	14	15	15	15	15
Detective vehicles	4	4	4	4	4	4	4	4	5	5
SWAT van	1	1	1	1	1	1	1	1	1	1
Administrative and warrant officer vehicle	4	3	3	4	2	3	3	3	3	3
Fire										
Stations	3	3	3	3	3	3	3	3	3	3
Fire response vehicles	6	6	6	6	6	6	6	6	6	6
Emergency response vehicles	1	1	1	1	1	1	1	1	1	1
Public works										
Major streets (miles)	78	78	77	77	82	82	82	82	82	86
Local streets (miles)	154	155	156	156	151	151	152	152	153	150
State highways (miles)	16	16	16	16	16	16	16	16	16	16
Sidewalks (miles)	353	353	354	355	355	356	357	357	357	358
Traffic signals (city owned)	72	72	72	72	74	74	76	76	77	77
Refuse collection trucks	13	13	13	13	13	15	14	14	14	13
Parks and recreation										
Acreage	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700
Regional park and recreation areas	8	8	8	8	8	8	8	8	8	8
Community parks	7	7	7	7	7	7	7	7	7	7
Block and district parks	55	55	55	55	55	55	55	55	55	55
Golf courses										
9-hole municipal par-3	1	1	1	1	1	1	1	1	1	1
18-hole municipal	2	2	2	2	2	2	2	2	2	2
Golf course clubhouse	2	2	2	2	2	2	2	2	2	2
Ice arena (b)	1	1	1	1	1	1	1	1	1	1
Swimming pool	1	1	1	1	1	1	1	1	1	1
Skateboard park	1	1	1	1	1	1	1	1	1	1
Spray ground facilities (j)	2	2	2	2	2	2	2	2	2	2
Library branches	1	1	1	1	1	1	1	1	1	1
Airport										
Runways	2	2	2	2	2	2	2	2	2	2
Terminal building (c)	1	1	1	1	1	1	1	1	1	1
City-owned hangars (leased)	14	14	14	14	14	14	14	14	14	14

City of Midland, Michigan
Capital Asset Statistics
Last Ten Fiscal Years

Function/ Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Public transportation-Dial-A-Ride busses	15	14	14	14	14	14	14	14	14	14
Landfill										
Current airspace (compacted cubic yards) (d)(g)(h)	905,764	2,556,451	2,304,084	2,347,971	2,205,036	2,041,275	1,859,132	1,736,958	1,613,185	1,424,672
Total future airspace (compacted cubic yards) (e)	8,740,847	8,752,565	6,637,322	8,323,460	8,180,525	8,016,764	7,834,621	7,712,447	7,588,674	7,400,161
Senior housing apartment complexes										
Washington Woods (units)	214	214	214	214	214	214	214	214	214	214
Riverside Place (units)	150	150	150	150	150	150	150	150	150	150
Sewer										
Sanitary sewers (miles)	196	196	196	197	197	197	197	197	197	199
Storm sewers (miles)	172	173	174	174	174	174	175	175	175	176
Treatment capacity (million gallons/day)	18	18	18	18	18	18	18	18	18	18
Water (f)										
Water mains (miles)	330	333	359	360	384	385	398	400	402	405
Fire hydrants	2,928	2,979	3,193	3,205	3,240	3,254	3,273	3,309	3,336	3,402
Storage capacity (million gallons)	13.75	13.75	13.75	13.75	13.75	13.75	13.75	13.75	13.75	13.75
Treatment plant capacity (million gallons/day)										
Potable water	28.8	28.8	28.8	28.8	28.8	28.8	28.8	28.8	28.8	28.8
Industrial grade water	19.2	19.2	19.2	19.2	19.2	19.2	19.2	19.2	19.2	19.2
Total	48.0	48.0	48.0	48.0	48.0	48.0	48.0	48.0	48.0	48.0

NA - Information not available

(a) In FY01/02 an additional 9-holes were added to the 27-hole course to create two 18-hole courses.

(b) A new 3-sheet arena on Fast Ice Drive opened in September 2005 replacing the old 2-sheet arena on East Collins.

(c) In FY05/06 a new 2,100 sq ft terminal building opened replacing a 1,200 sq ft terminal built in 1950.

(d) Current airspace = remaining airspace in currently constructed cells.

(e) Total future airspace = remaining airspace in currently constructed cells as well as cells to be constructed in the future.

(f) Raw water is pumped from Lake Huron by the Saginaw-Midland Municipal Water Supply Corporation, a facility owned jointly by the two cities.
The raw water is then pumped to the two communities for treatment at their individual treatment plants.

(g) FY07/08 Cell 16 added, roughly 1.8 million yards of additional airspace

(h) 2010 airspace remaining value is higher than 2009 for two reasons:

1. 2010 had an actual survey completed, while 2009 was a calculated estimate.
2. A minor modification to Cell 16 design increased the available airspace by 56,947 compacted cubic yards.

(i) 2014 one sheet of ice arena was converted to turf.

(j) 2015 Thrune Park renovation included the addition of a Splash Pad

Sources: City records, city departments, department annual reports, and city website - www.midland-mi.org



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December 20, 2016

Management and the City Council
City of Midland
Midland, Michigan

We have completed our audit of the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of City of Midland as of and for the year ended June 30, 2016, and have issued our report dated December 20, 2016. We are required to communicate certain matters to you in accordance with auditing standards generally accepted in the United States of America that are related to internal control and the audit. The following appendices to this letter sets forth those communications as follows:

I. Auditors' Communication of Significant Matters with Those Charged with Governance

In addition, we have identified additional matters that are not required to be communicated but we believe are valuable for management:

II. Matters for Management's Consideration

We discussed these matters with various personnel in the City during the audit and have already met with management. We would also be pleased to meet with you to discuss these matters at your convenience.

These communications are intended solely for the information and use of management, the City Council, and others within the City, and are not intended to be and should not be used by anyone other than those specified parties.

Yeo & Yeo, P.C.

Saginaw, Michigan

Auditors' Communication of Significant Matters with Those Charged with Governance

Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards* and Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter dated May 1, 2016. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 of the financial statements. The Government has adopted Governmental Accounting Standards Board Statements (GASBS) No. 72, 76, 79, and 82, *Fair Value Measurement and Application*, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, *Certain External Investment Pools and Pool Participants*, and *Pension Issues-an amendment of GASB Statements No. 67, No. 68, and No. 73, respectively*. GASB No. 72, 76, and 79 are effective July 1, 2015, and GASB 82 is effective for years beginning July 1, 2016, however, early implementation is encouraged. Statement No. 72 addresses accounting and financial reporting issues related to fair value measurements. Statement 76 identifies the hierarchy of generally accepted accounting principles. Statement 79 addresses accounting and financial reporting for certain external investment pools and pool participants. Statement 82 amends Statements 67 and 68 to instead require the presentation of covered payroll, defined as the payroll on which contributions to a pension plan are based, and ratios that use that measure. We noted no transactions entered into by the City during the year where there is lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting City of Midland's financial statements were:

Estimate	Management's basis
Incurred but not reported health benefits	Historical claims and information provided by third party provider.
Other post employment benefits	Information provided by actuarial valuation report.
Landfill closure and postclosure costs	Based on landfill capacity to date and estimated costs set forth by the State and Federal governments.
Compensated absences	Based on accumulated vacation and sick days and salary and wage rates in effect.
Useful lives of capital assets	Based on length of time management believes those assets will provide some economic benefit in the future.
Net pension liability and the related deferred outflows and inflows of resources	Information provided by actuarial valuation report.

We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole and free from bias.

Disclosures in the financial statements are neutral, consistent and clear.

Accounting Standards and Regulatory Updates

Accounting Standards

The Governmental Accounting Standards Board has released the following Statements:

Statement No. 74 *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* addresses the other postemployment benefits plans (OPEB) – defined benefit and defined contribution – administered through trusts. This Statement will improve the financial reporting primarily through enhanced note disclosures and schedules of required supplementary information that will be presented by OPEB plans that are administered through trusts. This information will enhance the transparency by providing information about measures of net OPEB liabilities and explanations of how and why those liabilities changed from year to year. Statement No. 74 is effective for the fiscal year ending June 30, 2017.

Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined OPEB plans, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee services. It also requires additional note disclosures and required supplementary information. Statement No. 75 is effective for the fiscal year ending June 30, 2018.

Statement No. 77, *Tax Abatement Disclosures* requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues. The requirements of this Statement are effective for the fiscal year ending June 30, 2017.

Statement No. 80, *Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14* amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The requirements of this Statement are effective for the fiscal year ending June 30, 2017.

Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. Statement No. 81 is effective for the fiscal year ending June 30, 2018.

The City is evaluating the impact the above GASB's will have on its financial reporting.

Cybersecurity and data backup best practices

The City's data is critically important. There are millions of ways data can be compromised. It is vitally important that all employees have proper knowledge on what is safe to click on and what is not. It is equally important that a proper data backup solution is in place in the event an organization's information is targeted by malware or a phishing attack. An organization's vital information is always a moment away from being compromised. Encouraging and educating employees to pay attention to what they click on and what they do is the first step in keeping information safe.

Having a proper data backup solution in place can mean the difference between an organization surviving a cyber-attack or going under. Every organization should know the answer to two questions when looking at data backup solutions.

1. How long can my organization survive a network outage?
Many organizations assume that they are properly backing up their network but how often are those backups tested? Internally managed backups are more susceptible to lack of testing. Management often believes they have successful backups but in the moment of a disaster, they find out that their last successful backup was months ago. Test backups often to make sure files can be recovered when needed.
2. Does our organization understand the difference between a backup and disaster recovery?
Management often assumes that simply backing up files is "good enough". Backing up files is something all organizations should do. However, it's important to remember that restoring files and emails is one thing, but recovering and restoring all company data in the event of a disaster is another.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements.

Professional standards require that the auditor accumulate all known and likely misstatements identified during the audit, other than those the auditor believes to be trivial. The adjustments identified during the audit have been communicated to management and management has posted all but an adjustment of \$43,338 to record the discount to present value on contributions receivable causing assets and the change in net assets to be overstated.

A material misstatements was detected as a result of our audit procedures and corrected by management. The adjustment was made to record future contributions receivable of \$2,300,000, increasing receivables and revenue in the Washington Woods Fund.

Management has determined that the effects of the uncorrected misstatement noted above is immaterial both individually and in the aggregate, qualitatively and quantitatively, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction that could be significant to the financial statements or the auditors' report. We are pleased to report we had no disagreements with management during the audit.

We have requested certain representations from management that are included in the management representation letter dated as of the date of the audit report.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Reports

Other information that is required to be reported to you is included in the: Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Report on Compliance For Each Major Federal Program; Report on Internal Control Over Compliance; Report on Schedule of Expenditures of Federal Awards Required by the Uniform Grant Guidance; and the Schedule of Findings and Questioned Costs. Please read all information included in those reports to ensure you are aware of relevant information.

Report on Required Supplementary Information

With respect to the required supplementary information accompanying the financial statements, which includes management's discussion and analysis, municipal employees retirement system schedules, other post-employment benefit schedules, and budgetary comparison information, we applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

Report on Other Supplementary Information

With respect to the supplementary information accompanying the financial statements, other than the List of Principal Officials, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

The City's audited financial statements are included in their comprehensive annual financial report. Our responsibility for the other information contained in the comprehensive annual financial report does not extend beyond the financial information identified in our audit report. We do not have an obligation to perform any

to corroborate the other information contained in the introductory section and statistical section. However, we read the other information and considered whether such information, or the manner of its presentation, was materially inconsistent with information, or the manner of its presentation, appearing in the financial statements. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, was materially inconsistent with the information, or manner of its presentation, appearing in the financial statements

Matters for Management's Consideration

In planning and performing our audit of the financial statements of City of Midland as of and for the year ended June 30, 2016, we considered City of Midland's internal control over financial reporting (internal control) as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

However, during our audit we became aware of a matter for management's consideration that is an opportunity for strengthening internal controls. This letter does not affect our report dated December 20, 2016, on the financial statements of City of Midland. Our comment and recommendation regarding this matter is:

Uniform Guidance Federal Procedures

We noted that not all of the City's written procedures specific to the federal awards have been updated to comply with the new federal Uniform Guidance. Only Dial-a-Ride procedures had been updated for Uniform Guidance as of year end.

We recommend that management review the new requirements under the Uniform Guidance and implement the prescribed written procedures that cover all other federal grants. These procedures should specifically encompass written procedures for financial management systems, payments, allowable costs, period of performance, matching or cost sharing, program income, procurement, equipment and real property, supplies, copyrights, subawards to debarred and suspended parties, monitoring and reporting program performance, financial reporting, retention and access requirements for records. In addition, cash management, conflict of interest and federal timekeeping. The City has elected to defer implementing the required procurement policies until July 1, 2017; however, the other procedures are required to be adopted and implemented by the City in the current fiscal year.

City of Midland, Michigan
Single Audit Report
June 30, 2016

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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditors' Report

Management and City Council
City of Midland, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Midland, Michigan as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise City of Midland, Michigan's basic financial statements, and have issued our report thereon dated December 20, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Midland, Michigan's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Midland, Michigan's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Midland, Michigan's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2016-001 that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Midland, Michigan's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material

determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City of Midland, Michigan's Response to Findings and Corrective Action Plan

City of Midland's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs and corrective action plan. City of Midland's response and corrective action plan was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Yeo & Yeo, P.C.

Saginaw, Michigan
December 20, 2016

Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Independent Auditors' Report

Management and City Council
City of Midland, Michigan

Report on Compliance for Each Major Federal Program

We have audited City of Midland, Michigan's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of City of Midland, Michigan's major federal programs for the year ended June 30, 2016. City of Midland, Michigan's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of City of Midland, Michigan's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City of Midland, Michigan's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of City of Midland, Michigan's compliance.

In our opinion, City of Midland complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Report on Internal Control Over Compliance

Management of City of Midland, Michigan is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered City of Midland, Michigan's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City of Midland, Michigan's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance and Transportation Fund (Dial-A-Ride)

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Midland, Michigan as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise City of Midland, Michigan's basic financial statements. We issued our report thereon dated December 20, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards required by the Uniform Guidance and Transportation Fund (Dial-A-Ride) Schedules 1, 1A, 2, 2A, 2B, 3A, 3B, 4E, 4R, 4N, 5, and 6 required by the Michigan Department of Transportation are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was

h and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards and Transportation Fund (Dial-A-Ride) Schedules 1, 1A, 2, 2A, 2B, 3A, 3B, 4E, 4R, 4N, 5, and 6 are fairly stated in all material respects in relation to the basic financial statements as a whole. The Transportation Fund (Dial-A-Ride) unaudited Schedule 4N has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion of provide any assurance on it.

Yeo & Yeo, P.C.

Saginaw, Michigan
December 20, 2016

City of Midland, Michigan
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2016

<u>Federal Agency/Pass-through Agency/Program Title</u>	<u>CFDA Number</u>	<u>Federal or Pass-Through Grant Number</u>	<u>Award Amount</u>	<u>Federal Expenditures</u>	<u>Current Year Cash Transferred to Subrecipients</u>
U.S. Department of Housing and Urban Development					
Community Development Block Grant 2014	14.218	B-14-MC-26-0037	\$ 209,553	\$ 105,948	\$ 97,845
Community Development Block Grant 2015		B-15-MC-26-0037	233,381	172,858	131,561
Total U.S. Department of Housing and Urban Development				278,806	229,406
U.S. Department of Justice					
Office of Justice Programs					
Bullet-proof Vest Partnership Program 2013	16.607	2013BUBX	6,112	11	-
Bullet-proof Vest Partnership Program 2014		2014BUBX	4,356	4,356	-
Bullet-proof Vest Partnership Program 2015		2015BUBX	4,760	913	-
Total U.S. Department of Justice				5,280	-
U.S. Department of Transportation					
Federal Transit Cluster					
Direct					
Federal Transit Formula Grant	20.507				
Operating Assistance - Section 5307 2013		MI-90-X703-00	172,389	53,792	-
Federal Transit Formula Grant					
Operating Assistance - Section 5307 2014		MI-90-X703-00	368,677	368,677	-
Federal Transit Formula Grant					
Operating Assistance - Section 5307 2015		MI-2016-007-01	238,282	89,081	-
				511,550	-
Federal Transit Formula Grant	20.507				
Capital Assistance - Section 5307 2013		MI-90-X685-00	52,000	10,580	-
Federal Transit Formula Grant					
Capital Assistance - Section 5307 2014		MI-90-X685-00	302,055	302,055	-
Federal Transit Formula Grant					
Capital Assistance - Section 5307 2015		MI-90-X703-00	104,000	104,000	-
				416,635	-
Bus and Bus Facilities Formula Program	20.526				
Capital Assistance - Section 5339 2013		12-0134/P5	65,812	8,878	-
Bus and Bus Facilities Formula Program					
Capital Assistance - Section 5339 2015		12-0134/P9	66,968	57,053	-
				65,931	-
Total Federal Transit Cluster				994,116	-
Passed through Michigan Department of Transportation					
Highway Planning and Construction 2014	20.205	2014-5192	463,463	2,373	-
Highway Planning and Construction 2015		2015-5078	1,319,702	1,319,702	-
Highway Planning and Construction 2015		2015-5465	722,400	416,878	-
				1,738,953	-

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

City of Midland, Michigan
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2016

<u>Federal Agency/Pass-through Agency/Program Title</u>	<u>CFDA Number</u>	<u>Federal or Pass-Through Grant Number</u>	<u>Award Amount</u>	<u>Federal Expenditures</u>	<u>Current Year Cash Transferred to Subrecipients</u>
Passed through Michigan Department of Transportation via the Midland Area Transportation Study (MPO)					
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research					
Planning Assistance - Section 5303	20.505	2015-0026/Z1	\$ 31,106	\$ 8,445	\$ -
Planning Assistance - Section 5303		2015-0026/Z4	37,859	28,238	-
Planning Assistance - FHWA PL		2015-0026	67,515	271	-
				<u>36,954</u>	<u>-</u>
Total U.S. Department of Transportation				<u>2,770,023</u>	<u>-</u>
Federal Emergency Management Authority					
Passed through Michigan State Police - Emergency Management and Homeland Security Division					
Flood Mitigation Assistance Grant Program 2013	97.029	FMA-PF-05-MI-2013-003	1,029,693	131,300	-
Total federal awards				<u>\$ 3,185,409</u>	<u>\$ 229,406</u>

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

City of Midland, Michigan
Notes to the Schedule of Expenditures of Federal Awards
June 30, 2016

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of City of Midland, Michigan under programs of the federal government for the year ended June 30, 2016. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of City of Midland, Michigan, it is not intended to and does not present the financial position, changes in net assets, or cash flows of City of Midland, Michigan.

Note 2 - Summary of Significant Accounting Policies

Expenditures

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles contained in the Uniform Guidance or OMB Circular A-87 *Cost Principles for State, Local and Indian Tribal Governments* where certain types of expenditures are not allowable or are limited as to reimbursement.

Indirect Cost Rate

City of Midland has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3 - Reconciliation to the Financial Statements

Revenue per Schedule of Expenditures of Federal Awards	\$ 3,185,409
Prior year grants	83,151
City-wide revenue for projects	<u>(1,738,952)</u>
Total federal expenditures - adjusted	<u>\$ 1,529,608</u>

City of Midland, Michigan
Summary Schedule of Findings and Questioned Costs
June 30, 2016

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued on whether the financial statements were prepared in accordance with Generally Accepted Accounting Principles: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? X yes no
- Significant deficiency(s) identified that are not considered to be material weaknesses? yes X none reported

Noncompliance material to financial statements noted?

 yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes X no
- Significant deficiency(s) identified that are not considered to be material weakness(es)? yes X none reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with §200.516(a)?

 yes X no

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

20.507 & 20.526

Federal Transit Cluster

Dollar threshold used to distinguish between type A and type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

 X yes no

City of Midland, Michigan
Summary Schedule of Findings and Questioned Costs
June 30, 2016

SECTION II – Government Auditing Standards Findings**2016-001 – Material Weakness – Audit Adjustment**

Specific Requirement:	Financial statements and records should be free of errors that could change the users' overall assessment of the entity's finances.
Condition:	The City received long-term contributions receivable from local foundations for the Washington Woods project. Amounts yet to be received in future years were not recorded as a receivable.
Cause/Effect:	An audit adjustment was required to record contributions receivable of \$2,300,000 and the related revenue in the Washington Woods Fund. This entry had a material effect on the financial statements.
Recommendation:	We recommend management record contributions receivable for future amounts when they become aware of the pledge. The City should also discount any long-term pledges receivable to present value if material in order to account for the time value of money.
Views of responsible officials:	Management agrees with the finding.
Corrective action plan:	See attached corrective action plan.

SECTION III – Federal Award Findings

There were no findings or questioned costs for Federal Awards for the year ended June 30, 2016.

City of Midland, Michigan
Summary Schedule of Prior Audit Findings
June 30, 2016

SECTION IV – PRIOR AUDIT FINDINGS

Government Auditing Standards Findings

There were no findings under *Government Auditing Standards* for the year ended June 30, 2015.

Federal Award Findings

There were no findings or questioned costs for Federal Awards for the year ended June 30, 2015.



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Financial Statement Findings and Questioned Costs – Auditee Response

Finding Control Number: **2016-001**

Material Weakness – Audit Adjustment

Long-term contributions receivable in future years were not recorded.

We concur with this finding. Effective immediately, the City has implemented procedures to ensure the long term contributions are recorded as receivables in the future:

All pledged contributions that meet the following conditions will be accrued in the period during which the pledge was made. The conditions are:

- The pledge for the contribution must be received in writing.
- The amount of the contribution must be material.
- The pledge will be recognized as a receivable and revenue in an enterprise or internal service fund under the required “full-accrual basis” of accounting. The pledge will be recognized as a receivable and deferred inflow in a governmental fund under the required “modified basis” of accounting. Pledge contributions in the governmental funds will be recognized as revenue at year-end for the government-wide financial statements under GASB 34.

Anticipated completion date: On-going

Contact Person: David A. Keenan, Assistant City Manager

Telephone: (989) 837-3329; Fax (989) 837-5215; Email: dkeenan@midland-mi.org

City of Midland, Michigan
Schedule 1
Transportation Fund (Dial-A-Ride)
Schedule of Local Revenues
For The Year Ended June 30, 2016

	July 1, 2015 to September 30, 2015	October 1, 2015 to June 30, 2016	Totals
Customer fares	\$ 22,358	\$ 83,499	\$ 105,857
Other local contracts/reimbursements	2,111	6,262	8,373
Sale of equipment	1,400	16,596	17,996
Total	<u>\$ 25,869</u>	<u>\$ 106,357</u>	<u>\$ 132,226</u>

City of Midland, Michigan
Schedule 1A
Transportation Fund (Dial-A-Ride)
Schedule of Local Revenues
Based on September 30, 2015 Year End

	October 1, 2014 to June 30, 2015	July 1, 2015 to September 30, 2015	Totals
Customer fares	\$ 78,195	\$ 22,358	\$ 100,553
Other local contracts/reimbursements	8,071	2,111	10,182
Refunds and credits	361	-	361
Sale of equipment	-	1,400	1,400
	<hr/>	<hr/>	<hr/>
Total	<u>\$ 86,627</u>	<u>\$ 25,869</u>	<u>\$ 112,496</u>

City of Midland, Michigan
Schedule 2
Transportation Fund (Dial-A-Ride)
Expenditures of Federal and State Awards
For The Year Ended June 30, 2016

Grantor/Program Title	Federal CFDA Number	Grant No./ Authorization Number	Award Amount	Current Year's Expenditures			Prior Years' Expenditures	Excess Eligible Expenditures	Award Amount Remaining
				Total	Federal	State			
U.S. Department of Transportation									
Direct Assistance									
Federal Transit Operating Grant--Section 5307	20.507	MI-90-X703	\$ 541,066	\$ 422,469	\$ 422,469	\$ -	\$ 118,597	\$ -	\$ -
Federal Transit Operating Grant--Section 5307	20.507	MI-2016-007	962,899	89,081	89,081	-	-	-	873,818
Capital Assistance - Section 5307 (80/20)	20.507	MI-90-X685	442,566	390,791	312,635	78,156	51,775	-	-
Capital Assistance - Section 5307 (80/20)	20.507	MI-90-X703	130,000	130,000	104,000	26,000	-	-	-
Capital Assistance - Section 5307 (80/20)	20.507	MI-2016-007	79,751	-	-	-	-	-	79,751
Passed through Michigan Department of Transportation									
Federal Transit Capital Grants									
Capital Grant--Section 5339 (80/20)	20.526	2012-0134/P5/R1	82,264	11,097	8,878	2,219	71,166	-	1
Capital Grant--Section 5339 (80/20)	20.526	2012-0134/P7	83,706	-	-	-	83,436	-	270
Capital Grant--Section 5339 (80/20)	20.526	2012-0134/P9	83,710	71,316	57,053	14,263	2,449	-	9,945
Capital Grant--Section 5309 (80/20)	20.500	2012-0134/P3	146,044	-	-	-	140,092	-	5,952
Passed through Michigan Department of Transportation via the Midland Area Transportation Study									
Planning Assistance - Section 5303 (FY 2015)	20.505		40,729	8,445	8,445	-	32,284	-	-
Planning Assistance - Section 5303 (FY 2016)	20.505		31,106	28,238	28,238	-	-	-	2,868
Total U.S. Department of Transportation			2,623,841	1,151,437	1,030,799	120,638	499,799	-	972,605
Michigan Department of Transportation									
Operating Assistance - Act 51 - FY 2015	N/A		674,161	153,481	-	153,481	495,166	-	25,514
Adjust PY reported for award adjustments			15,091	-	-	-	40,605	-	(25,514)
Operating Assistance - Act 51 - FY 2016	N/A		663,267	510,916	-	510,916	-	-	152,351
Total Michigan Department of Transportation			1,352,519	664,397	-	664,397	535,771	-	152,351
Total			\$ 3,976,360	\$ 1,815,834	\$ 1,030,799	\$ 785,035	\$ 1,035,570	\$ -	\$ 1,124,956
Not passed through the State of Michigan									
Federal Transit Operating Grant--Section 5307	20.507	MI-90-X703		\$ (422,469)	\$ (422,469)	\$ -			
Federal Transit Operating Grant--Section 5307	20.507	MI-2016-007-00		(89,081)	(89,081)	-			
Capital Assistance - Section 5307 (80/20)	20.507	MI-90-X685		(312,635)	(312,635)	-			
Planning Assistance - Section 5303 (FY 2015)	20.505			(8,445)	(8,445)	-			
Planning Assistance - Section 5303 (FY 2016)	20.505			(9,862)	(9,862)	-			
Earned but not received									
Capital Assistance - Section 5307 (80/20)	20.507	MI-90-X703		(130,000)	(104,000)	(26,000)			
Capital Grant--Section 5339 (80/20)	20.526	2012-0134/P9		(64,760)	(51,808)	(12,952)			
Planning Assistance - Section 5303 (FY 2016)	20.505			(18,376)	(18,376)	-			
Operating Assistance - Act 51 - FY 2013	20.526			-	-	-			
Received but not earned									
Capital Grant--Section 5339 (80/20)	20.526	2012-0134/P9		2,449	1,959	490			
Operating Assistance - Act 51 - FY 2015				14,716	-	14,716			
Operating Assistance - Act 51 - FY 2016				32,101	-	32,101			
Current year receipts (payback) of prior year expenses									
Capital Grant--Section 5339 (80/20)		2012-0134/P7		71,774	57,419	14,355			
Federal Transit Operating Grant--Section 5311				10,355	-	10,355			
Operating Assistance - Act 51 - FY 2014				(22,567)	-	(22,567)			
MDOT OPT Record of Payments				\$ 869,034	\$ 73,501	\$ 795,533			

City of Midland, Michigan
Schedule 2A
Transportation Fund (Dial-A-Ride)
Federal and State Awards Operating Revenue Only
For Year Ended June 30, 2016

	July 1, 2015 to September 30, 2015	October 1, 2015 to June 30, 2016	Totals
Michigan Department of Transportation			
Local Bus Operating (Act 51)	\$ 153,481	\$ 510,916	\$ 664,397
Adjust prior year reported for award adjustments	40,605	-	40,605
Total Michigan Department of Transportation	194,086	510,916	705,002
Federal Transit Administration			
Section 5307	124,550	387,000	511,550
Passed through Michigan Department of Transportation via the Midland Area Transportation Study Planning Assistance - Section 5303	8,445	28,238	36,683
Total	<u>\$ 327,081</u>	<u>\$ 926,154</u>	<u>\$ 1,253,235</u>
Revenue reconciliation to financial statements below			
State grants			
State revenues from above	\$ 194,086	\$ 510,916	\$ 705,002
Section 5307 capital assistance match	-	104,156	104,156
Section 5339 capital assistance match	-	16,482	16,482
Subtotal - state grants	<u>\$ 194,086</u>	<u>\$ 631,554</u>	825,640
Not received within 60 days of year-end - deferred			(15,091)
Prior year grants received during fiscal year			<u>(25,541)</u>
Total financials statements state revenue			<u>\$ 785,008</u>
Federal grants			
Federal revenues from above	\$ 132,995	\$ 415,238	\$ 548,233
Section 5307 capital assistance	-	416,635	416,635
Section 5339 capital assistance	-	65,931	65,931
Subtotal - federal grants	<u>\$ 132,995</u>	<u>\$ 897,804</u>	1,030,799
Prior year grants received during fiscal year			<u>1,959</u>
Total financials statements federal revenue			<u>\$ 1,032,758</u>

City of Midland, Michigan
Schedule 2B
Transportation Fund (Dial-A-Ride)
Federal and State Awards Operating Revenue Only
Operating Revenue Only
Based on a September 30, 2015 Year End

	October 1, 2014 to June 30, 2015	July 1, 2015 to September 30, 2015	Totals
Michigan Department of Transportation			
Local Bus Operating (Act 51)	\$ 495,166	\$ 153,481	\$ 648,647
Adjust prior year reported for award adjustments	-	40,605	40,605
	<u>495,166</u>	<u>194,086</u>	<u>689,252</u>
U.S. Department of Transportation			
Operating Assistance - Section 5307	356,542	124,550	481,092
Planning Assistance - Section 5303 (FY 2013)	<u>32,284</u>	<u>8,445</u>	<u>40,729</u>
	<u>388,826</u>	<u>132,995</u>	<u>521,821</u>
Total	<u>\$ 883,992</u>	<u>\$ 327,081</u>	<u>\$ 1,211,073</u>

City of Midland, Michigan
Schedule 3A
Transportation Fund (Dial-A-Ride)
Operating Expenses Split Between a June 30 and September 30 Year End
For the Year Ended June 30, 2016

	July 1, 2015 to September 30, 2015	October 1, 2015 to June 30, 2016	Totals
Labor	\$ 192,858	\$ 741,210	\$ 934,068
Fringe benefits	90,445	390,362	480,807
Services	76,159	225,980	302,139
Materials and supplies	25,463	77,223	102,686
Utilities	175	523	698
Insurance	4,179	12,539	16,718
Miscellaneous	9,196	5,237	14,433
Operating leases	4,555	13,746	18,301
	<hr/>	<hr/>	<hr/>
Total financial statement expenses	\$ 403,030	\$ 1,466,820	\$ 1,869,850
Depreciation expense	-	139,634	139,634
	<hr/>	<hr/>	<hr/>
Total OAR expenses	<u>\$ 403,030</u>	<u>\$ 1,606,454</u>	<u>\$ 2,009,484</u>

City of Midland, Michigan
Schedule 3B
Transportation Fund (Dial-A-Ride)
Operating Expenses Split Between a June 30 and September 30 Year End
For the Year Ended June 30, 2016

Based on a September 30, 2015 Year End

		October 1, 2014 to June 30, 2015	July 1, 2015 to September 30, 2015	Totals
Labor	(1)	\$ 709,032	\$ 192,858	\$ 901,890
Fringe benefits		323,014	90,445	413,459
Services		236,288	76,159	312,447
Materials and supplies		96,429	25,463	121,892
Utilities		496	175	671
Insurance		12,539	4,179	16,718
Miscellaneous	(2)	13,169	9,196	22,365
Operating leases		13,764	4,555	18,319
Depreciation		125,578	-	125,578
Total expenses		<u>\$ 1,530,309</u>	<u>\$ 403,030</u>	<u>\$ 1,933,339</u>

(1) On FY 2015 Supplementary Information Transportation Fund (Dial-A-Ride), this was net of Other Ineligible Federal/State/Local, now included here and subtracted as ineligible on Schedule 4E and Schedule 5

(2) On FY 2015 Supplementary Information Transportation Fund (Dial-A-Ride), this was shown net of ineligible bad debt expense, now included here and subtracted as ineligible on Schedule 4E and Schedule 5

No costs for the purchase of transportation vehicles funded by federal and state grants, nor any depreciation related thereto are included as eligible expenses on these schedules. Further, capital grants were only used for capital purchases. No operating expenses were paid with capital grants.

Certain costs for rent, vehicle storage rent, and administration included in these schedules, as well as the City's financial statements, are allocated in accordance with plans on file with the Office of Passenger Transportation (OPT). All other costs are charged directly.

The Transportation Fund is a Special Revenue Fund on the financial statements, so no depreciation is reported at the fund-based level. Depreciation is calculated and maintained for the government-wide statements in accordance with GASB 34. Depreciation expense included as eligible only includes assets purchased with local funds where the useful life of the asset has been approved by OPT.

City of Midland, Michigan
Schedule 3B
Transportation Fund (Dial-A-Ride)
Operating Expenses Split Between a June 30 and September 30 Year End
For the Year Ended June 30, 2016

Pension and OPEB Obligations
Based on a September 30, 2015 Year End

	October 1, 2014 to June 30, 2015	July 1, 2015 to September 30, 2015	Totals
Annual required contribution for OPEB	\$ 61,033	\$ 18,226	\$ 79,259
Amounts contributed:			
Payments of current premiums	61,033	18,226	79,259
Increase (decrease) in net OPEB obligation	-	-	-
OPEB obligation - beginning of year	-	-	-
OPEB obligation - end of year	\$ -	\$ -	\$ -
	October 1, 2013 to June 30, 2014	July 1, 2014 to September 30, 2014	Totals
Annual required contribution for pension	\$ 92,722	\$ 28,878	\$ 121,600
Amounts contributed:			
Payments of current premiums	92,722	28,878	121,600
Increase (decrease) in net pension obligation	-	-	-
Pension obligation - beginning of year	-	-	-
Pension obligation - end of year	\$ -	\$ -	\$ -

The Transportation Fund is a Special Revenue Fund on the financial statements, so no GASB 68 activity is reported at the fund-based level. GASB 68 activity is calculated and maintained for the government-wide statements in accordance with GASB 34. All of the calculated activity that was attributable to Dial-A-Ride was recorded in a fund that is only used for Government-Wide financial statement preparation. No GASB 68 activity was reported in the Dial-A-Ride expenses and all pension expenses reported are for current year expenses only in accordance with the annual required contributions (ARC).

City of Midland, Michigan
Schedule 4E
Transportation Fund (Dial-A-Ride)
Nonurban Regular Service Expense Report
For the Year Ended September 30, 2015

Code	Description	Operations	Maintenance	General & Administration	Total
501:	Labor				
50101	Operators' salaries and wages	\$ 696,855	\$ -	\$ -	\$ 696,855
50102	Other salaries and wages	-	-	104,222	104,222
50103	Dispatchers' salaries and wages	100,813	-	-	100,813
502:	Fringe Benefits				
50200	Fringe benefits - other	147,102	-	53,052	200,154
50210	Fringe benefits - DC pension	12,445	-	-	12,445
50220	Fringe benefits - DB pension	89,107	-	32,493	121,600
50230	Fringe benefits - Other Post Employment Benefits	58,515	-	20,745	79,260
503:	Services				
50302	Advertising fees	-	-	4,483	4,483
50305	Audit fees	-	-	2,250	2,250
50399	Other	-	141,430	164,284	305,714
504:	Material and Supplies				
50401	Fuel and lubricants	113,667	-	-	113,667
50499	Other materials and supplies	8,225	-	-	8,225
505:	Utilities				
50500	Utilities - telephone	671	-	-	671
506:	Insurance				
50603	Liability insurance	16,718	-	-	16,718
509:	Miscellaneous Expenses				
50902	Travel, meetings and training	5,616	-	-	5,616
50999	Other misc expenses	16,749	-	-	16,749
512:	Operating Leases and Rentals				
51200	Operating leases and rentals	18,319	-	-	18,319
513:	Depreciation				
51300	Depreciation	125,578	-	-	125,578
550:	Ineligible Expenses				
55007	Ineligible Depreciation	125,205	-	-	125,205
55008	Other ineligible expenses (refund/reimbursement, ineligible council)	361	-	1,331	1,692
570:	Ineligible Expenses				
57099	Other ineligible Federal/State/Local (Section 5303 expenses)	-	-	50,911	50,911
576:	Ineligible Expenses				
57603	Ineligible admin expense paid by capital contract	-	-	2,726	2,726
Total expenses		1,410,380	141,430	381,529	1,933,339
Total ineligible expenses		125,566	-	54,968	180,534
Total eligible expenses		<u>\$ 1,284,814</u>	<u>\$ 141,430</u>	<u>\$ 326,561</u>	<u>\$ 1,752,805</u>

City of Midland, Michigan
Schedule 4R
Transportation Fund (Dial-A-Ride)
Nonurban Regular Service Revenue Report
Based on a September 30, 2015 Year End

Code	Description	Amount
401:	Farebox revenue	
40100	Customer fares	\$ 100,553
407:	NonTrans Revenue	
40760	Gains from sale of capital assets	1,400
409:	Local Revenue	
40910	Local operating assistance	426,511
40999	Other local contracts/reimbursments	10,182
411:	State Formula and Contracts	
41101	State operating assistance (with revised %)	689,252
41113	Capital contract reimbursement for admin expenses	2,181
413:	Federal Contracts	
41302	Federal Section 5307 operating (operating funds only)	481,092
41313	Capital contract reimbursement for admin expenses	544
41399	Other Federal transit contracts and reimbursements	40,729
440:	Other Revenue	
41400	Refunds and credits	361
Total revenues		<u>\$ 1,752,805</u>

Any eligible expenses associated with the Federal and State Capital Contract Reimbursement for Administrative Expenses
 Federal and State revenues have been properly subtracted from total expenses as ineligible under PTMS code 57603
 Ineligible Administrative Expense Paid by Capital Contract.

Any eligible expenses associated with Gains from Sales of Capital Assets do not need to be subtracted out as ineligible as they were minimal in nature and not charged to Dial-A-Ride as an expense.

City of Midland, Michigan
Schedule 4N
Nonurban Regular Service Nonfinancial Report (Unaudited)
For The Year Ended September 30, 2015

Public Service

Code	Description	Weekday	Saturday	Total
610	Vehicle hours	25,539	1,709	27,248
611	Vehicle miles	406,007	26,314	432,321
615	Passengers - regular	24,562	1,341	25,903
616	Passengers - elderly	6,756	515	7,271
617	Passengers - persons with disabilities	53,634	2,334	55,968
618	Passengers - elderly persons with disabilities	11,635	1,040	12,675
622	Total demand response passengers	96,587	5,230	101,817
625	Days operated	253	51	304

Vehicle Information

Code	Description	Quantity
655	Total demand response vehicles	14
656	Demand response vehicles with lifts	14
658	Total transit vehicles	14

Miscellaneous Information

Code	Description	Quantity
660	Diesel/gasoline gallons consumed	49,985
661	Total Transit Agency Employees (Full-Time Equivalents)	30

The methodology used for compiling this data has been reviewed and the recording method has been found to be adequate and reliable.

City of Midland, Michigan
Schedule 5
Transportation Fund (Dial-A-Ride)
Operating Assistance Calculation
Based on a September 30, 2015 Year End

	<u>Nonurban</u>
Total expenses	<u>\$ 1,933,339</u>
Less ineligible expenses	
Depreciation	\$ 125,205
Bad debt expense	1,692
Section 5303 expenses	50,911
Admin expense paid by capital contract	<u>2,726</u>
Total ineligible expenses per R & E manual	<u>\$ 180,534</u>
Total state eligible expenses	<u>\$ 1,752,805</u>
x reimbursement percentage	<u>39.3228%</u>
State operating assistance	<u>\$ 689,252</u>
Federal Section 5307 operating assistance	<u>\$ 481,092</u>

City of Midland, Michigan
Schedule 6
Transportation Fund (Dial-A-Ride)
Comments and Recommendations
Year Ended June 30, 2016

There are no comments and recommendations for the year ended June 30, 2016.

Backup material for agenda item:

4. Making Traffic Control Orders Permanent as they relate to the Downtown Midland Streetscape. MCMANUS
 - a. TCO P-16-06 - That parking shall be prohibited on Ashman Street from Main Street to 85 feet northeast of the centerline of Main Street.
 - b. TCO P-16-07 - That parking shall be prohibited on the north side of Ashman Street from 85 feet to 124 feet northeast of the centerline of Main Street to accommodate a loading zone.
 - c. TCO P-16-08 - That parking shall be prohibited on the north side of McDonald Street from Main Street to 80 feet northeast of the centerline of Main Street and on the side of McDonald Street from Main Street to 80 feet southwest of the centerline of Main Street.
 - d. TCO P16-09 - That parking shall be prohibited on the south side of Rodd Street from Main Street to 80 feet southwest of the centerline of Main Street.
 - e. TCO P-16-10 - That parking shall be prohibited on the south side of Rodd Street from Main Street to 135 feet northeast of the centerline of Main Street for the purpose of establishing a bus loading zone.
 - f. TCO S-16-01 - That the intersections of E. Main Street and Ashman Street, E. Main Street and McDonald Street, and E. Main Street and Rodd Street shall operate as All-Way Stop Control. And that the traffic signals shall be removed.

SUMMARY REPORT TO MANAGER

For City Council Meeting of January 23, 2017

SUBJECT: Traffic Control Orders P-16-06; P-16-07; P-16-08; P-16-09; P-16-10; S-16-01

INITIATED BY: Engineering Department

RESOLUTION SUMMARIES:

TCO P-16-06 – That parking shall be prohibited on Ashman Street from Main Street to 85 feet northeast of the centerline of Main Street.

TCO P-16-07 – That parking shall be prohibited on the north side of Ashman Street from 85 feet to 124 feet northeast of the centerline of Main Street to accommodate a loading zone.

TCO P-16-08 – That parking shall be prohibited on the north side of McDonald Street from Main Street to 80 feet northeast of the centerline of Main Street.

TCO P-16-09 – That parking shall be prohibited on the south side of Rodd Street from Main Street to 80 feet southwest of the centerline of Main Street.

TCO P-16-10 – That parking shall be prohibited on the south side of Rodd Street from Main Street to 135 feet northeast of the centerline of Main Street for the purpose of establishing a bus loading zone.

TCO S-16-01 – That the intersections of E. Main Street and Ashman Street, E. Main Street and McDonald Street, and E. Main Street and Rodd Street shall operate as All-Way Stop Control. And that the traffic signals shall be removed.

ITEMS ATTACHED:

1. Letter of Transmittal
2. Resolutions
3. All-Way Stop Control – Test Study
4. All-Way Stop Control – Engineering Study
5. Location Maps

CITY COUNCIL ACTION:

3/5 vote required to approve resolutions

SUBMITTED BY: Brian McManus, City Engineer



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TO: Jon Lynch, City Manager

FROM: Brian McManus, City Engineer

DATE: January 18, 2017

SUBJECT: Traffic Control Orders P-16-06; P-16-07; P-16-08; P-16-09; P-16-10; S-16-01

In 2016 the Downtown Development Authority (DDA) began pursuing a plan for the redevelopment of the downtown Midland streetscape. The process began in February of 2016 with the formation of a Streetscape Committee appointed by the DDA. The committee issued a Request for Proposal (RFP) to identify an appropriate design firm for the project. SmithGroupJJR of Ann Arbor was hired in May. SmithGroupJJR acquired the services of DLZ as a subcontractor to provide additional design engineering services. An extensive process to develop design concepts and obtain public input then took place. In October of 2016, City Council approved the Downtown Midland Streetscape Redevelopment Plan recommendation from the DDA.

Included in the redevelopment plan recommendations were changes to the traffic control on Main Street. The recommended traffic control change was to replace the use of overhead traffic signals with All-Way Stop Control (AWSC) at the intersections of Main Street with Ashman, McDonald and Rodd streets. This recommendation was made to be consistent with the prioritization of pedestrian movements and to improve safety.

This initial recommendation to convert to AWSC was based on a literature review by DLZ of current standards related to pedestrian safety at AWSC intersections and safety related to removal of unwarranted traffic signals. DLZ was confident that AWSC requirements in the Manual on Uniform Traffic Control Device (MUTCD) provisions would be met. They recommended that a more detailed engineering analysis be performed during the streetscape engineering design phase.

Additionally, City Council approved an AWSC field trial study which involved actually turning off the traffic signals, installing AWSC and monitoring the performance. This trial study included collecting data for performance metrics to assess the recommendation of AWSC at the three intersections along Main Street. We utilized DLZ to perform further analysis related to the AWSC. Both of these action steps (additional engineering analysis and trial study) have been completed.

The AWSC engineering analysis looked at several factors as required by the MUTCD. Those include intersection crash summary for a five-year period, vehicle volumes and pedestrian volumes. The analysis indicates that the criterion for pedestrian/vehicle conflicts was satisfied to justify AWSC. Pedestrian volumes are considered high at peak periods along Main Street. For instance, during Holly Jolly Days 250 pedestrian crossings were noted in one hour at Main Street and Ashman Street. DLZ concluded that there is a clear need to control the intersections with all-way stops. The City's traffic engineering consultant (OHM) has reviewed and agrees with DLZ's recommendations.

The AWSC trial study to test the functionality and applicability of using All-Way Stop Control in place of traffic signals on Main Street required six Temporary Traffic Control Orders to address regulatory traffic control items and parking. Parking restrictions were required to ensure visibility of the stop signs at five locations. The majority of no parking signs were installed on November 8, 2016. The signals were turned to all-way red flash the week of November 1, 2016 and completely turned off and covered the week of November 10, 2016.

Before and after performance metrics/criteria for the field study included automobile delay, automobile queues/backups, pedestrian delay and illegal pedestrian crossing movements. Field implementation included turning off traffic signals, adding selected pavement markings, installing stop signs, and adding parking restrictions.

Upon completing the before and after study, DLZ has concluded that average delay of vehicles, queues/backup of cars and crash occurrence did not meaningfully change between the two scenarios. Pedestrian delays and illegal pedestrian crossings were significantly lower with AWSC versus traffic signal control. And only a small percentage of drivers did not follow the "rules of the road" during the AWSC observations. So the field study successfully confirmed that AWSC benefits pedestrian traffic while not having a perceptible impact on vehicular level of service parameters.

DLZ summary reports are attached. DLZ representatives will be present at the January 23 meeting to discuss these findings in more detail.

We have received several positive comments from downtown merchants regarding the AWSC field trial. Selina Tisdale will provide a summary of the comments received at the January 23 meeting.

The AWSC engineering work and field study completed by DLZ show that AWSC is a viable and safe method of traffic control for Main Street at Ashman Street, Main Street at McDonald Street and Main Street at Rodd Street. The action to make this traffic control permanent is approval of the traffic control orders. The traffic control orders have been in place as required during the AWSC trial period. The traffic control actions undertaken are described in the attached resolutions.



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BY COUNCILMAN

RESOLVED, that Traffic Control Order No. P-16-06 filed November 8, 2016 pursuant to Chapter 24 of the Code of Ordinances to establish traffic control as follows:

That parking shall be prohibited on Ashman Street from Main Street to 85 feet northeast of the centerline of Main Street.

is hereby made permanent.

YEAS:

NAYS:

ABSENT:

I, Selina Tisdale, City Clerk, City of Midland, Counties of Bay and Midland, State of Michigan, do hereby certify that the foregoing is a true and correct copy of a resolution adopted by a yeave vote of all the Councilmen present at a regular meeting of the City Council held Monday, January 23, 2017.

Selina Tisdale, City Clerk



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BY COUNCILMAN

RESOLVED, that Traffic Control Order No. P-16-07 filed November 8, 2016 pursuant to Chapter 24 of the Code of Ordinances to establish traffic control as follows:

That parking shall be prohibited on the north side of Ashman Street from 85 feet to 124 feet northeast of the centerline of Main Street to accommodate a loading zone.

is hereby made permanent.

YEAS:

NAYS:

ABSENT:

I, Selina Tisdale, City Clerk, City of Midland, Counties of Bay and Midland, State of Michigan, do hereby certify that the foregoing is a true and correct copy of a resolution adopted by a yeave vote of all the Councilmen present at a regular meeting of the City Council held Monday, January 23, 2017.

Selina Tisdale, City Clerk



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BY COUNCILMAN

RESOLVED, that Traffic Control Order No. P-16-08 filed November 8, 2016 pursuant to Chapter 24 of the Code of Ordinances to establish traffic control as follows:

That parking shall be prohibited on the north side of McDonald Street from Main Street to 80 feet northeast of the centerline of Main Street and on the side of McDonald Street from Main Street to 80 feet southwest of the centerline of Main Street.

is hereby made permanent.

YEAS:

NAYS:

ABSENT:

I, Selina Tisdale, City Clerk, City of Midland, Counties of Bay and Midland, State of Michigan, do hereby certify that the foregoing is a true and correct copy of a resolution adopted by a yeas vote of all the Councilmen present at a regular meeting of the City Council held Monday, January 23, 2017.

Selina Tisdale, City Clerk



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BY COUNCILMAN

RESOLVED, that Traffic Control Order No. P-16-09 filed November 8, 2016 pursuant to Chapter 24 of the Code of Ordinances to establish traffic control as follows:

That parking shall be prohibited on the south side of Rodd Street from Main Street to 80 feet southwest of the centerline of Main Street.

is hereby made permanent.

YEAS:

NAYS:

ABSENT:

I, Selina Tisdale, City Clerk, City of Midland, Counties of Bay and Midland, State of Michigan, do hereby certify that the foregoing is a true and correct copy of a resolution adopted by a yeave vote of all the Councilmen present at a regular meeting of the City Council held Monday, January 23, 2017.

Selina Tisdale, City Clerk



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BY COUNCILMAN

RESOLVED, that Traffic Control Order No. P-16-10 filed November 22, 2016 pursuant to Chapter 24 of the Code of Ordinances to establish traffic control as follows:

That parking shall be prohibited on the south side of Rodd Street from Main Street to 135 feet northeast of the centerline of Main Street for the purpose of establishing a bus loading zone. This action lengthens the existing bus loading zone and eliminates an existing delivery loading zone at the northerly end of this location to allow more room for buses.

is hereby made permanent.

YEAS:

NAYS:

ABSENT:

I, Selina Tisdale, City Clerk, City of Midland, Counties of Bay and Midland, State of Michigan, do hereby certify that the foregoing is a true and correct copy of a resolution adopted by a yea vote of all the Councilmen present at a regular meeting of the City Council held Monday, January 23, 2017.

Selina Tisdale, City Clerk



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BY COUNCILMAN

RESOLVED, that Traffic Control Order No. S-16-01 filed November 10, 2016 pursuant to Chapter 24 of the Code of Ordinances to establish traffic control as follows:

That the intersections of E. Main Street and Ashman Street, E. Main Street and McDonald Street, and E. Main Street and Rodd Street shall operate as All-Way Stop Control, and that the traffic signals shall be removed and the previous Traffic Control Orders for the use of traffic control signals at these intersections be rescinded.

is hereby made permanent.

YEAS:

NAYS:

ABSENT:

I, Selina Tisdale, City Clerk, City of Midland, Counties of Bay and Midland, State of Michigan, do hereby certify that the foregoing is a true and correct copy of a resolution adopted by a yea vote of all the Councilmen present at a regular meeting of the City Council held Monday, January 23, 2017.

Selina Tisdale, City Clerk



INNOVATIVE IDEAS
EXCEPTIONAL DESIGN
UNMATCHED CLIENT SERVICE

OFFICE MEMORANDUM

DATE: January 18, 2017

TO: Selina Tisdale, Brian McManus, and Josh Fredrickson, City of Midland

FROM: Charles Fawcett, PE, PTOE
Wes Butch

SUBJECT: Main Street Streetscape Project – All-Way Stop Control Test Study

INTRODUCTION

One important goal of Midland's Main Street Streetscape project is to improve mobility, safety, and access for autos and pedestrians in the downtown area. To further this goal, it has been proposed that the existing traffic signals at the Main Street intersections with Ashman Street, McDonald Street and Rodd Street would be permanently removed, and that the intersections be converted to All-Way Stop Control (AWSC). A methodology memo (dated 10/19/16) was previously provided to the City. The methodology memo described how the AWSC test was proposed to be conducted.

The City subsequently proposed and implemented an AWSC test period for the purposes of evaluating this potential change. The purpose of this current memorandum is to summarize the results of the test effort, including the observations made before and during the test period, and conclusions from these observations.

An Engineering Study is being conducted separately to evaluate this proposed change to AWSC according to industry and Michigan Department of Transportation methodologies and standards. The analysis and findings for that study will be detailed in a separate stand-alone memo.

METHODOLOGY

Analysis of Traffic Signal Control Scenario

For each of the three study intersections, video footage was collected on Tuesday April 26, 2016 while traffic signals were in operation. This video was analyzed for the PM peak hour of 5:00 to 6:00 PM. This video represents the worst case traffic condition that occurred on a regular basis while intersections were under traffic signal control. The following metrics were observed from the video and logged into a spreadsheet. The resulting data is summarized in Table 1.

1. Automobile delay for each vehicle approaching the intersection - seconds of delay/vehicle
2. Automobile queuing on each leg approaching the intersection - longest queue observed in each five-minute interval - number of queued vehicles
3. Pedestrian delay for each person approaching the intersection - seconds of delay/pedestrian
4. Pedestrian illegal crossing movements - this metric is an indirect measure for safety

5. Pedestrian/automobile “near misses” – this metric is an indirect measure for safety. The definition of a “near miss” was discussed with City staff and is defined as when a vehicle or pedestrian had to make a “clear evasive maneuver” in order to avoid a crash

When the original video footage was collected in April of 2016, it was not known at that time that the video would be used for the purposes of this before/after comparison study (the original footage was collected for the purpose of conducting turning movement counts of these intersections). Therefore, some approaches to the intersections were not viewable on these videos, and vehicle delay and queuing information was not able to be collected for those approaches.

In addition, DLZ compiled crash data for the years 2011 to 2015, the most recent five-year period available for the traffic signal scenario. The data was reviewed and is summarized in Table 2.

Implementation of AWSC Test Scenario

The AWSC test scenario was implemented and was fully in place beginning on November 10, 2016. Changes included the following:

- The traffic signals were turned off.
- Pavement markings were revised to eliminate left turn lanes on Main Street so that each approach had only one lane. The one-way approach of Ashman Street was maintained as a two-lane approach.
- Stop signs were installed on each approach at the stop bar.
- Other signage was adjusted as needed.

Analysis of AWSC Test Scenario

New video footage was collected on Saturday December 10, 2016 from 10:00 AM to 6:00 PM to capture the “Holly Jolly Days” festival (the festival occurred from 12:00 noon to 4:00 PM). This date and time period were chosen (in collaboration with City staff) to capture an expected peak in both vehicular and pedestrian activity at the study intersections due to this holiday event. The weather on this day was cloudy and cold with a high temperature of 26 degrees. Reviewing the video footage, it was determined that the peak traffic hour occurred from 2:00 to 3:00 PM. This peak hour of video footage was viewed to collect the same metrics that were recorded for the traffic signal control scenario. An additional metric was recorded for the AWSC scenario. The videos were reviewed to determine how many drivers did not obey the “rules of the road” at the AWSC intersections. Additional cameras were deployed for the AWSC scenario in order to capture video and data for all legs of each intersection. The evaluation metrics were logged into a spreadsheet, and the resulting data is summarized in Table 1.

Crash information for the AWSC test period was provided by City staff, and this was reviewed as well.

ANALYSIS AND FINDINGS

The compiled metrics for the “Before” and “After” scenarios are shown in the below in Table 1.



INNOVATIVE IDEAS
EXCEPTIONAL DESIGN
UNMATCHED CLIENT SERVICE

Main Street Streetscape Project
All-Way Stop Control Test Study
Page 3 of 6

Table 1: Metrics Summary

	Main St & Ashman St				Main St & McDonald St				Main St & Rodd St				Overall		
	Ashman		Main		Main	McDonald	Main	McDonald	Peds		Main	Rodd	Peds		
			SE leg	NW leg					NE leg	SE leg			SW leg	NW leg	SE leg
	NE leg	SE leg	NW leg	Peds											
Traffic Signal Control Scenario															
4/26/2016 PM PH Count	201	126	124	55	183	40	115	72	119	155	141	64	51	1221	225
Delay Observations (#)	U	U	125	65	186	U	U	73	120	157	U	60	58	601	243
Average Delay (sec.)	U	U	7.8	6.0	6.3	U	U	21.5	5.4	5.7	U	18.5	4.9	9.5	5.4
Max Queue Observed (veh.)	U	U	6		3	U	U	4		2	U	4			
Illegal Movements by Peds				32.0%					30.0%				22.0%		28.6%
All-Way Stop Control Scenario															
12/10/2016 PM PH Count	143	100	101	250	140	34	69	37	203	100	75	20	51	819	504
Delay Observations (#)	148	95	103	247	132	27	70	37	214	100	76	20	53	808	514
Average Delay (sec.)	14.4	11.5	10.0	3.0	10.5	11.6	10	14.5	2.3	8.1	9.1	9.4	1.1	11.0	2.5
Max Queue Observed (veh.)	3	3	4		4	2	4	3		3	3	2			
Did Not Follow Rules (% veh.)	3.6%	4.0%	4.0%		0.7%	0.0%	3.1%	0.0%		0.0%	0.0%	0.0%		2.0%	
Illegal Movements by Peds				12.6%					14.0%				5.7%		12.5%

U - Unavailable from video collected

As stated earlier, not all approaches to each intersection were visible in the videos collected during the signalized operation. As a result, delay and queuing data were only obtained for approximately half of the vehicles entering the intersections for the signalized scenario. About 600 vehicles were observed during the signalized scenario, while about 800 vehicles were observed during the AWSC scenario. The observations found that average overall vehicle delay at all intersections during the signalized scenario was about 9.5 seconds per vehicle. During the AWSC scenario, overall average delay was about 11.0 seconds per vehicle. In the signalized scenario, the majority of vehicles do not need to stop at all since they have a green light, but those vehicles that do stop can experience relatively long delays as they wait for the signal to change. The maximum observed delay in the signalized scenario was 54 seconds. In the AWSC scenario, all vehicles have some delay due to the need to stop at the stop sign. Vehicle delay in the AWSC scenario ranged from 3 to 58 seconds. Overall average delay was found to increase only slightly under the AWSC scenario. This could be attributed to the change in intersection control, but it could also be due to the higher pedestrian traffic volumes present during the peak hour that was observed for the AWSC scenario. The 1.5 second difference in average delay is within normal expected variations, and the two scenarios should be considered essentially the same in terms of average vehicle delay.

Vehicle queuing was also not found to differ significantly between the scenarios. The maximum queue observed during signal scenario was 6, which occurred only once. Most of the time, queues did not exceed 3 or 4 vehicles. The maximum queue observed during the AWSC scenario was 4 vehicles.

All pedestrian crossings were visible on the video footage and were observed for both scenarios. Observed pedestrian traffic was much higher in the AWSC scenario due to the video being collected during “Holly Jolly Days”, with 514 pedestrians observed, compared with 243 pedestrians observed during the PM peak hour of the signalized scenario. The observations showed that average pedestrian delay decreased from the signalized to AWSC scenario, with overall average delays decreasing from 5.4 to 2.5 seconds per pedestrian.

A significant number of pedestrians (28.6%) were observed crossing illegally in the traffic signal control scenario. This typically involved pedestrians crossing against the green light if there were no cars approaching. In the AWSC scenario, the number of pedestrians observed crossing illegally was much lower (12.5%). This is due mostly to the fact that pedestrians have the right of way when crossing at an AWSC intersection. Within the 12.5% of pedestrians that did make illegal maneuvers in the AWSC scenario, most of these were generally crossing outside of the crosswalk.

Drivers were generally observed to be following the rules of the road at the AWSC intersections. The video footage was reviewed to look for vehicles not observing these rules. These rules include: yielding the right of way to pedestrians; yielding the right of way to other vehicles in turn based on when each vehicle arrived, and; yielding to the vehicle to the right if both arrive at the same time. We observed that only about 2% of drivers violated these rules.

For the AWSC intersections, vehicles often did not come to a complete stop at the stop bar when conflicting traffic was not present. In these cases, vehicles executed a ‘rolling stop’ before proceeding through the

intersection. In a few instances, vehicles were observed to not even slow to a rolling stop, but only to turning speed when making a right turn. Also, vehicles were routinely observed stopping (or executing a rolling stop) not at the stop bar, but closer to the intersection, blocking the crosswalk. This was especially true for side street approaches where the stop bar is farther from the intersection. The stop bars on Main Street are typically about 25 feet from the intersection, whereas those on the side streets are about 35 feet away. This resulted in some pedestrians having to wait for a vehicle to proceed before they could cross or crossing outside the crosswalk or behind the stopped vehicle. These additional observations resulted from reviewing the AWSC videos for rules of the road violations. Comparable/similar reviews of the traffic signal control scenario were not made, and it is possible that similar concerns could have been occurring with the stop control scenario. These additional observations, while not included in the original methodology scope, are included here for consideration related to the AWSC final design.

No “near-miss” incidents were observed at any of the intersections during both the signalized and AWSC scenarios. As stated previously, a “near-miss” was defined as when a vehicle or pedestrian had to make a “clear evasive maneuver” in order to avoid a crash. We did not see this occur in the videos observed for this study.

Crash Data Review

Table 2 below summarizes the crash history in the vicinity of the study intersections during the past 5 years while the intersections were under traffic signal control.

Table 2: Midland Main Street Intersections - Crash Summary 2011-2015

Intersection	2011	2012	2013	2014	2015	Total
Ashman	0	2	2	1	1	6
McDonald	0	2	3	0	1	6
Rodd	0	0	1	1	0	2
Total	0	4	6	2	2	14

None of these crashes resulted in injury, and the majority of them were related to on-street parking maneuvers.

Between November 10, 2016 and January 5, 2017 (the AWSC test period), two crashes occurred on Main Street in the general vicinity of the subject intersections. Both were related to parking maneuvers on Main Street and were not related to the study intersections/intersection control type.



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CONCLUSIONS

Based on the information noted above, the AWSC Test Study suggests the following conclusions:

- Average vehicle delay, queuing and crash occurrence were found to not meaningfully change between the two scenarios.
- Pedestrian delays and illegal pedestrian crossings were significantly lower with the AWSC scenario compared to the traffic signal control scenario.
- Only a small percentage (2%) of drivers did not follow the “rules of the road” during the AWSC scenario.

Converting these three intersections from signal control to AWSC appears to benefit pedestrian traffic, while not having a perceptible impact on vehicular level of service parameters.



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OFFICE MEMORANDUM

DATE: January 18, 2017

TO: Selina Tisdale, Brian McManus, and Josh Fredrickson, City of Midland

FROM: Charles Fawcett, PE, PTOE
Wes Butch

SUBJECT: Main Street Streetscape Project – All-Way Stop Control Engineering Study

INTRODUCTION

This memorandum presents the findings of an engineering study for the proposed conversion of three intersections along Main Street from traffic signal control to All-Way Stop Control (AWSC). These intersections are Ashman Street, McDonald Street, and Rodd Street. Data collection and analyses were conducted previously at these intersections. The previous studies determined that none of the intersections meet warrants for traffic signal control. Therefore, it was proposed that the existing traffic signals be removed and that stop control be used instead. The purpose of this engineering study is to document the justification of AWSC implementation consistent with the 2009 Edition of the Michigan Manual on Uniform Traffic Control Devices (MMUTCD).

The three study intersections are as follows:

- Main Street and Ashman Street
- Main Street and McDonald Street
- Main Street and Rodd Street

These three intersections have previously been controlled by traffic signals until November 2016 when a test period began to evaluate potential conversion to AWSC. The AWSC test period is currently still in place, and a separate memo has been provided to the City on the findings of the test period evaluation.

DATA COLLECTION

DLZ collected turning movement counts at the study intersections for 8 hours on April 26, 2016 to determine typical weekday traffic conditions. The counts were completed from 6:00 to 9:00 AM, 11:00 AM to 1:00 PM and 4:00 to 6:00 PM. These traffic volumes were compiled and utilized in the below analysis and are included as Appendix A to the memorandum.

DLZ compiled crash data for the years 2011 to 2015, the most recent five-year period available. The data was reviewed and is summarized in Table 1.

Table 1 - Midland Main Street Intersections - Crash Summary 2011-2015

Intersection	2011	2012	2013	2014	2015	Total
Ashman	0	2	2	1	1	6
McDonald	0	2	3	0	1	6
Rodd	0	0	1	1	0	2
Total	0	4	6	2	2	14

ANALYSIS

The MMUTCD, in Sections 2B.04 through 2B.07 (included in Appendix B), provides guidance and standards for controlling the Right-of-Way at intersections. Section 2B.04 states that: *“Engineering judgment should be used to establish intersection control.”* Factors to consider include vehicle, bicycle and pedestrian traffic volumes and available sight distance on each approach as well as other factors. The use of yield or stop signs should be considered if the combined vehicular, bicycle and pedestrian traffic at the intersection averages more than 2,000 units per day. Based on the collected turning movement counts, each of the three study intersections exceed 2,000 units in the 8 hours of data collected. Therefore, yield or stop control is recommended at each intersection on at least two approaches.

Section 2B.07 discusses guidance for determining if stop control should exist on two or all approaches to the intersection. The following criteria should be considered for a multi-way stop sign installation:

- A. As an interim measure when traffic signals are justified.
- B. Five or more correctable crashes within a 12-month period.
- C. The vehicular volume entering the intersection from the major street approaches averages at least 300 vehicles per hour for any 8 hours of an average day.
- D. A combination of the above criteria met to the 80% threshold (4 correctable crashes in a 12-month period and 240 vehicles entering on the major street approaches).

A review of collected data found that none of these criteria were met:

- A. As stated previously, none of these intersections meet traffic signal warrants.
- B. As shown in Table 1, no intersection experienced 5 or more crashes during any 12-month period.
- C. Average hourly vehicular traffic volume on the Main Street approaches to each intersection is approximately 200 vehicles per hour for the 8 hours of data collected.
- D. The crash experience and traffic volumes do not meet the 80% thresholds.

This section of the MMUTCD includes other criteria that may be considered as well:

- A. *The need to control left-turn conflicts;*
- B. *The need to control vehicle/pedestrian conflicts near locations that generate high pedestrian volumes;*
- C. *Locations where a road user, after stopping, cannot see conflicting traffic and is not able to negotiate the intersection unless conflicting cross traffic is also required to stop; and*
- D. *An intersection of two residential neighborhood collector (through) streets of similar design and operating characteristics where multi-way stop control would improve traffic operational characteristics of the intersection.*

Of these other criteria, this analysis found that Criterion B applies to each of these intersections. During the PM peak hour of 5:00 to 6:00 PM, the intersections experienced the following pedestrian crossing volumes:

- Main Street and Ashman Street 55 pedestrian crossings
- Main Street and McDonald Street 119 pedestrian crossings
- Main Street and Rodd Street 51 pedestrian crossings

These typical pedestrian volumes are high and were distributed on all legs of each intersection. A higher percentage of crossings occurred on side street legs, but a significant number crossed the Main Street legs of these intersections as well. If the Main Street approaches are not required to stop, this would leave a large number of vehicle/pedestrian conflicts uncontrolled. All three of the study intersections meet the requirements of Criterion B. Therefore, it is recommended that stop control be applied to all legs of each intersection.

As part of the AWSC Test Study mentioned previously, additional traffic counts were collected at the study intersections during the “Holly Jolly Days” event on December 10, 2016. These traffic volume reports are included in Appendix A. Pedestrian traffic during the peak hour was significantly higher than the typical weekday volumes listed above. The following pedestrian crossing volumes were experienced during the 2:00 to 3:00 PM peak hour on December 10:

- Main Street and Ashman Street 250 pedestrian crossings
- Main Street and McDonald Street 203 pedestrian crossings
- Main Street and Rodd Street 51 pedestrian crossings

Festival-type events are held with some regularity in the downtown area, and the number of festivals is expected to increase in the future. During these times, the number of potential auto/pedestrian conflicts would be very high.

CONCLUSIONS AND RECOMMENDATIONS

Section 2B.07 of the MMUTCD provides criteria to be considered for multi-way stop applications. Criterion B is met if there is a need to control vehicle/pedestrian conflicts near locations that generate high pedestrian volumes.



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Downtown Midland generates high volumes of pedestrian traffic on a regular basis on typical weekdays as demonstrated by the April 2016 counts. Higher pedestrian volumes were observed during the “Holly Jolly Days” downtown festival in December. In both traffic counts, pedestrian traffic was observed to cross the legs of the study intersections in a distributed manner.

A review of guidance and criteria for intersection control in the MMUTCD showed that there is a clear need to control vehicle/pedestrian conflicts at each study intersection due to adjacent and nearby land uses that generate high pedestrian volumes. Therefore, Criterion B is met at each of the three study intersections and All-Way Stop Control is recommended to be implemented at each intersection.

APPENDIX A
EXISTING TRAFFIC DATA

Study Name Main St & Ashman St
Start Date 04/26/2016
Start Time 11:00 AM
Site Code
Unit Number

	Southwestbound St. Southwestbound				Northwestbound St. Northwestbound				Northeastbound St. Northeastbound				Southeastbound St. Southeastbound			
Start Time	Right	Thru	Left	U-Turn	Right	Thru	Left	U-Turn	Right	Thru	Left	U-Turn	Right	Thru	Left	U-Turn
11:00 AM	12	6	6	0	0	14	2	0	0	0	0	0	4	19	0	0
11:15 AM	13	7	7	0	0	26	0	0	0	0	0	0	0	19	0	0
11:30 AM	9	10	19	0	0	22	2	0	0	0	0	0	2	27	0	0
11:45 AM	17	9	11	0	0	24	0	0	0	0	0	0	2	30	0	0
12:00 PM	24	5	12	0	0	28	1	0	0	0	0	0	0	27	0	0
12:15 PM	7	7	16	0	0	19	0	0	0	0	1	0	2	33	1	0
12:30 PM	13	6	12	0	0	18	2	0	0	0	0	0	1	20	0	0
12:45 PM	19	4	15	0	0	12	0	0	0	0	0	0	0	22	0	0
1:00 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3:00 PM	22	6	12	0	0	18	2	0	0	0	0	0	2	18	0	0
3:15 PM	21	3	4	0	0	16	0	0	0	0	0	0	1	21	0	0
3:30 PM	17	5	6	0	0	22	0	0	0	0	0	0	5	31	0	0
3:45 PM	15	13	14	0	0	21	0	0	0	0	0	0	5	33	0	0
4:00 PM	17	4	6	0	0	21	3	0	0	0	0	0	2	23	0	0
4:15 PM	24	8	15	0	0	31	0	0	0	0	0	0	2	23	0	0
4:30 PM	15	14	13	0	0	23	1	0	0	0	0	0	0	25	0	0
4:45 PM	10	6	22	0	0	23	1	0	0	0	0	0	1	21	0	0
5:00 PM	34	7	20	0	0	45	0	0	0	0	0	0	2	40	0	0
5:15 PM	16	7	18	0	0	25	2	0	0	0	0	0	1	31	0	0
5:30 PM	18	7	15	0	0	27	2	0	0	0	0	0	1	16	0	0
5:45 PM	22	12	22	0	0	24	1	0	0	0	0	0	8	25	0	0
6:00 AM	4	1	0	0	0	3	0	0	0	0	0	0	0	5	0	0
6:15 AM	1	4	2	0	0	0	0	0	0	0	0	0	0	8	0	0
6:30 AM	1	2	7	0	0	2	0	0	0	0	0	0	3	10	0	0
6:45 AM	6	14	3	0	0	4	1	0	0	0	0	0	2	25	0	0
7:00 AM	8	9	1	0	0	1	0	0	0	0	0	0	2	8	0	0
7:15 AM	12	14	3	0	0	8	1	0	0	0	0	0	6	16	0	0
7:30 AM	21	12	3	0	0	8	0	0	0	0	0	0	8	40	0	0
7:45 AM	22	22	9	0	0	14	2	0	0	0	0	0	5	42	0	0
8:00 AM	5	18	3	0	0	4	0	0	0	0	0	0	13	37	0	0
8:15 AM	19	9	2	0	0	9	0	0	0	0	0	0	5	17	0	0
8:30 AM	12	3	9	0	0	7	0	0	0	0	0	0	3	18	0	0
8:45 AM	8	8	7	0	0	14	0	0	0	0	0	0	2	20	0	0

Study Name Main St & Ashman St

Start Date 04/26/2016

Start Time 11:00 AM

Site Code

Unit Number

Start Time	Southwestbound St. Southwestbound				Northwestbound St. Northwestbound				Northeastbound St. Northeastbound				Southeastbound St. Southeastbound			
	Right	Thru	Left	U-Turn	Right	Thru	Left	U-Turn	Right	Thru	Left	U-Turn	Right	Thru	Left	U-Turn
11:00 AM	1	0	0	0	0	1	0	0	0	0	0	0	0	1	0	0
11:15 AM	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11:30 AM	0	0	0	0	0	1	0	0	0	0	0	0	0	1	0	0
11:45 AM	0	2	1	0	0	0	0	0	0	0	0	0	0	1	0	0
12:00 PM	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12:15 PM	0	1	0	0	0	1	0	0	0	0	0	0	0	0	0	0
12:30 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12:45 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1:00 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3:00 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0
3:15 PM	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3:30 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3:45 PM	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0
4:00 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4:15 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4:30 PM	1	0	1	0	0	1	0	0	0	0	0	0	0	0	0	0
4:45 PM	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5:00 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5:15 PM	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5:30 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5:45 PM	0	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0
6:00 AM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6:15 AM	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0
6:30 AM	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6:45 AM	0	0	1	0	0	0	1	0	0	0	0	0	0	0	0	0
7:00 AM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7:15 AM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7:30 AM	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0
7:45 AM	1	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0
8:00 AM	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0
8:15 AM	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0
8:30 AM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8:45 AM	0	0	0	0	0	0	1	0	0	0	0	0	0	1	0	0

Study Name Main St & Ashman St

Start Date 04/26/2016

Start Time 11:00 AM

Site Code

Unit Number

Start Time	Southwestbound St. Southwestbound				Northwestbound St. Northwestbound				Northeastbound St. Northeastbound				Southeastbound St. Southeastbound			
	Right	Thru	Left	U-Turn	Right	Thru	Left	U-Turn	Right	Thru	Left	U-Turn	Right	Thru	Left	U-Turn
11:00 AM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11:15 AM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11:30 AM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11:45 AM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12:00 PM	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0
12:15 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12:30 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12:45 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1:00 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3:00 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3:15 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	2	0	0
3:30 PM	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0
3:45 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4:00 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4:15 PM	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4:30 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4:45 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5:00 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5:15 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5:30 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5:45 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6:00 AM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6:15 AM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6:30 AM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6:45 AM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7:00 AM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7:15 AM	1	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0
7:30 AM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7:45 AM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8:00 AM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8:15 AM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8:30 AM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8:45 AM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Study Name Main St & Ashman St
Start Date 04/26/2016
Start Time 11:00 AM
Site Code
Unit Number

	Southwestbound St. Southwestbound				Northwestbound St. Northwestbound				Northeastbound St. Northeastbound				Southeastbound St. Southeastbound			
Start Time	Right	Thru	Left	U-Turn	Right	Thru	Left	U-Turn	Right	Thru	Left	U-Turn	Right	Thru	Left	U-Turn
11:00 AM	13	6	6	0	0	15	2	0	0	0	0	0	4	20	0	0
11:15 AM	14	8	7	0	0	26	0	0	0	0	0	0	0	19	0	0
11:30 AM	9	10	19	0	0	23	2	0	0	0	0	0	2	28	0	0
11:45 AM	17	11	12	0	0	24	0	0	0	0	0	0	2	31	0	0
12:00 PM	24	6	12	0	0	29	1	0	0	0	0	0	0	27	0	0
12:15 PM	7	8	16	0	0	20	0	0	0	0	1	0	2	33	1	0
12:30 PM	13	6	12	0	0	18	2	0	0	0	0	0	1	20	0	0
12:45 PM	19	4	15	0	0	12	0	0	0	0	0	0	0	22	0	0
1:00 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3:00 PM	22	6	12	0	0	18	2	0	0	0	0	0	2	19	0	0
3:15 PM	22	3	4	0	0	16	0	0	0	0	0	0	1	23	0	0
3:30 PM	17	5	7	0	0	22	0	0	0	0	0	0	5	31	0	0
3:45 PM	15	13	15	0	0	21	0	0	0	0	0	0	5	33	0	0
4:00 PM	17	4	6	0	0	21	3	0	0	0	0	0	2	23	0	0
4:15 PM	24	9	15	0	0	31	0	0	0	0	0	0	2	23	0	0
4:30 PM	16	14	14	0	0	24	1	0	0	0	0	0	0	25	0	0
4:45 PM	10	7	22	0	0	23	1	0	0	0	0	0	1	21	0	0
5:00 PM	34	7	20	0	0	45	0	0	0	0	0	0	2	40	0	0
5:15 PM	16	8	18	0	0	25	2	0	0	0	0	0	1	31	0	0
5:30 PM	18	7	15	0	0	27	2	0	0	0	0	0	1	16	0	0
5:45 PM	22	12	24	0	0	24	1	0	0	0	0	0	8	25	0	0
6:00 AM	4	1	0	0	0	3	0	0	0	0	0	0	0	5	0	0
6:15 AM	1	4	2	0	0	0	0	0	0	0	0	0	0	9	0	0
6:30 AM	1	3	7	0	0	2	0	0	0	0	0	0	3	10	0	0
6:45 AM	6	14	4	0	0	4	2	0	0	0	0	0	2	25	0	0
7:00 AM	8	9	1	0	0	1	0	0	0	0	0	0	2	8	0	0
7:15 AM	13	14	3	0	0	8	1	0	0	0	0	0	6	17	0	0
7:30 AM	21	12	3	0	0	8	0	0	0	0	0	1	8	40	0	0
7:45 AM	23	22	9	0	0	14	3	0	0	0	0	0	5	42	0	0
8:00 AM	5	18	3	0	0	4	1	0	0	0	0	0	13	37	0	0
8:15 AM	19	9	2	0	0	9	0	0	0	0	0	0	6	17	0	0
8:30 AM	12	3	9	0	0	7	0	0	0	0	0	0	3	18	0	0
8:45 AM	8	8	7	0	0	14	1	0	0	0	0	0	2	21	0	0

Totals

Study Name Main St & Ashman St**Start Date 04/26/2016****Start Time 11:00 AM****Site Code****Unit Number**

	Southwestbound St. Southwestbound		Northwestbound St. Northwestbound		Northeastbound St. Northeastbound		Southeastbound St. Southeastbound	
Start Time	Bikes CCW	Bikes CW	Bikes CCW	Bikes CW	Bikes CCW	Bikes CW	Bikes CCW	Bikes CW
11:00 AM	0	0	0	0	0	0	0	0
11:15 AM	0	0	0	0	0	0	0	0
11:30 AM	1	2	0	0	0	0	0	0
11:45 AM	0	0	0	0	0	0	0	0
12:00 PM	0	0	0	0	0	0	0	0
12:15 PM	0	0	0	0	0	0	0	0
12:30 PM	0	0	0	0	0	0	0	0
12:45 PM	0	0	0	0	0	0	0	0
1:00 PM	0	0	0	0	0	0	0	0
3:00 PM	0	0	0	0	0	0	0	0
3:15 PM	0	0	0	0	0	0	0	1
3:30 PM	0	0	0	0	0	0	0	0
3:45 PM	0	0	0	0	0	0	0	0
4:00 PM	0	0	0	0	0	0	0	0
4:15 PM	0	0	0	0	0	0	0	0
4:30 PM	0	0	0	0	0	0	0	0
4:45 PM	0	0	0	0	0	0	0	0
5:00 PM	0	0	0	0	0	0	0	1
5:15 PM	0	0	0	0	0	0	0	0
5:30 PM	0	0	0	0	0	0	0	0
5:45 PM	0	0	0	0	0	0	0	0
6:00 AM	0	0	0	0	0	0	0	0
6:15 AM	0	0	0	0	0	0	0	0
6:30 AM	0	0	0	0	0	0	0	0
6:45 AM	0	0	0	0	0	0	0	0
7:00 AM	0	0	0	0	0	0	0	0
7:15 AM	0	0	0	0	0	0	0	0
7:30 AM	0	0	0	0	0	0	0	0
7:45 AM	0	0	0	0	0	0	0	0
8:00 AM	0	0	0	0	0	0	0	0
8:15 AM	0	0	0	0	0	0	0	0
8:30 AM	0	0	0	0	0	0	0	0
8:45 AM	0	0	0	0	0	0	0	0

Study Name Main St & Ashman St**Start Date 04/26/2016****Start Time 11:00 AM****Site Code****Unit Number**

	Southwestbound St. Southwestbound		Northwestbound St. Northwestbound		Northeastbound St. Northeastbound		Southeastbound St. Southeastbound	
Start Time	Peds CCW	Peds CW	Peds CCW	Peds CW	Peds CCW	Peds CW	Peds CCW	Peds CW
11:00 AM	1	1	0	0	0	0	1	5
11:15 AM	3	11	0	0	0	0	1	2
11:30 AM	5	4	0	0	0	0	0	0
11:45 AM	6	6	0	0	0	0	3	0
12:00 PM	10	8	0	0	0	0	0	3
12:15 PM	5	4	0	0	1	1	2	1
12:30 PM	5	1	0	0	0	1	2	1
12:45 PM	6	6	0	0	0	0	1	4
1:00 PM	0	0	0	0	0	0	0	0
3:00 PM	0	3	0	0	0	0	0	1
3:15 PM	2	2	0	0	0	0	0	0
3:30 PM	2	0	0	0	0	0	0	2
3:45 PM	3	0	0	0	0	0	1	0
4:00 PM	2	1	1	0	0	0	1	0
4:15 PM	1	5	0	0	0	0	0	4
4:30 PM	0	0	0	0	0	0	2	4
4:45 PM	2	1	1	1	0	0	2	3
5:00 PM	3	0	0	0	0	0	2	0
5:15 PM	4	7	0	1	0	1	2	1
5:30 PM	8	10	0	0	0	0	0	1
5:45 PM	7	3	0	0	0	0	4	1
6:00 AM	0	0	0	0	0	0	0	0
6:15 AM	0	0	0	0	0	0	0	0
6:30 AM	0	0	0	0	0	0	0	0
6:45 AM	0	0	0	0	0	0	0	0
7:00 AM	0	0	0	0	0	0	0	0
7:15 AM	0	0	0	0	0	0	0	0
7:30 AM	2	0	0	0	0	0	2	0
7:45 AM	0	1	0	0	0	0	0	0
8:00 AM	0	0	0	0	0	0	0	0
8:15 AM	0	1	0	0	0	0	0	0
8:30 AM	1	2	0	0	0	0	1	2
8:45 AM	8	0	0	0	0	0	4	0

Study Name Main St & McDonald St
Start Date 04/26/2016
Start Time 11:00 AM
Site Code
Unit Number

Start Time	Southwestbound St. Southwestbound				Northwestbound St. Northwestbound				Northeastbound St. Northeastbound				Southeastbound St. Southeastbound			
	Right	Thru	Left	U-Turn	Right	Thru	Left	U-Turn	Right	Thru	Left	U-Turn	Right	Thru	Left	U-Turn
11:00 AM	3	2	1	0	3	9	1	0	3	7	4	0	2	19	4	0
11:15 AM	3	0	2	0	2	16	1	0	2	9	6	0	3	15	5	0
11:30 AM	4	0	2	0	0	16	2	0	2	9	1	0	9	25	9	0
11:45 AM	5	3	3	0	5	16	0	0	4	8	5	0	3	35	7	0
12:00 PM	5	3	4	0	2	16	0	0	1	5	7	0	6	28	6	0
12:15 PM	3	1	2	0	6	13	1	0	2	10	5	0	3	37	8	0
12:30 PM	4	3	1	0	2	10	2	0	2	10	3	0	0	19	9	0
12:45 PM	2	4	3	0	6	9	0	0	1	4	0	0	2	30	8	0
1:00 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3:00 PM	2	2	8	0	3	15	1	0	1	7	2	0	2	23	6	0
3:15 PM	3	1	3	0	2	14	0	0	2	12	5	0	0	16	5	0
3:30 PM	5	2	2	0	1	10	0	0	3	9	5	0	1	28	11	0
3:45 PM	5	0	7	0	1	17	1	0	3	6	2	0	6	27	12	0
4:00 PM	3	0	2	0	2	14	0	0	2	7	1	0	3	24	7	0
4:15 PM	0	4	3	0	3	25	0	0	0	8	5	0	2	22	9	0
4:30 PM	4	1	1	0	2	14	1	0	2	3	7	0	2	25	8	0
4:45 PM	5	4	4	0	5	18	1	0	0	2	3	0	5	28	8	0
5:00 PM	5	2	1	0	3	34	0	0	1	10	3	0	6	43	6	0
5:15 PM	6	5	2	0	5	19	4	0	7	15	3	0	8	34	7	0
5:30 PM	4	2	1	0	5	18	1	0	5	10	4	0	4	25	6	0
5:45 PM	4	1	6	0	4	21	1	0	1	9	3	0	3	34	6	0
6:00 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6:00 AM	0	1	0	0	0	3	0	0	0	1	0	0	1	2	2	0
6:15 AM	0	1	0	0	0	0	1	0	0	2	0	0	0	8	0	0
6:30 AM	0	3	0	0	0	1	1	0	0	1	1	0	1	16	1	0
6:45 AM	0	3	0	0	0	4	0	0	0	2	1	0	2	23	2	0
7:00 AM	0	0	1	0	2	1	0	0	0	2	0	0	0	9	0	0
7:15 AM	1	0	0	0	2	8	0	0	1	2	1	0	2	17	0	0
7:30 AM	1	5	0	0	2	7	2	0	0	4	0	0	1	38	2	0
7:45 AM	1	2	1	0	0	18	3	0	1	4	0	0	2	46	4	0
8:00 AM	1	4	1	0	1	3	0	0	3	0	1	0	5	34	4	0
8:15 AM	0	1	1	0	1	11	0	0	0	1	0	0	3	12	3	0
8:30 AM	3	1	1	0	0	4	1	0	1	3	2	0	1	23	3	0
8:45 AM	1	3	0	0	0	13	1	0	2	2	1	0	4	22	2	0

Study Name Main St & McDonald St

Start Date 04/26/2016

Start Time 11:00 AM

Site Code

Unit Number

Start Time	Southwestbound St. Southwestbound					Northwestbound St. Northwestbound					Northeastbound St. Northeastbound					Southeastbound St. Southeastbound				
	Right	Thru	Left	U-Turn		Right	Thru	Left	U-Turn		Right	Thru	Left	U-Turn		Right	Thru	Left	U-Turn	
11:00 AM	0	1	0	0		0	1	0	0		0	1	0	0		0	1	0	0	
11:15 AM	0	0	0	0		0	0	0	0		0	0	0	0		0	0	0	0	
11:30 AM	0	0	0	0		0	1	0	0		0	1	0	0		1	0	0	0	
11:45 AM	0	0	0	0		0	0	0	0		0	2	0	0		1	1	0	0	
12:00 PM	0	0	0	0		0	0	0	0		0	0	0	0		0	0	0	0	
12:15 PM	1	1	0	0		0	0	0	0		0	1	1	0		0	0	0	0	
12:30 PM	0	0	0	0		0	0	0	0		0	0	0	0		0	0	0	0	
12:45 PM	0	0	0	0		0	0	0	0		1	1	0	0		0	0	0	0	
1:00 PM	0	0	0	0		0	0	0	0		0	0	0	0		0	0	0	0	
3:00 PM	0	0	1	0		0	0	0	0		0	0	0	0		0	1	0	0	
3:15 PM	0	0	0	0		0	0	0	0		0	0	0	0		0	0	0	0	
3:30 PM	0	0	0	0		0	0	0	0		0	0	0	0		0	0	0	0	
3:45 PM	0	0	0	0		0	0	0	0		0	0	0	0		0	1	0	0	
4:00 PM	0	1	0	0		0	0	0	0		0	0	0	0		0	0	0	0	
4:15 PM	0	0	0	0		0	0	0	0		0	0	0	0		0	0	0	0	
4:30 PM	0	0	0	0		0	1	0	0		0	0	0	0		0	0	1	0	
4:45 PM	0	0	0	0		0	0	0	0		0	1	0	0		0	0	0	0	
5:00 PM	0	0	0	0		0	0	0	0		0	0	0	0		0	0	0	0	
5:15 PM	0	0	0	0		0	0	0	0		0	0	0	0		0	0	0	0	
5:30 PM	0	0	0	0		0	0	0	0		0	1	0	0		0	0	0	0	
5:45 PM	0	0	1	0		0	0	0	0		0	0	0	0		0	1	0	0	
6:00 PM	0	0	0	0		0	0	0	0		0	0	0	0		0	0	0	0	
6:00 AM	0	0	0	0		0	0	0	0		0	0	0	0		0	0	0	0	
6:15 AM	0	0	0	0		0	0	0	0		0	0	0	0		0	1	0	0	
6:30 AM	0	0	0	0		0	0	0	0		0	0	0	0		0	0	0	0	
6:45 AM	0	0	0	0		0	0	0	0		0	0	0	0		1	0	0	0	
7:00 AM	0	0	0	0		0	0	0	0		0	0	0	0		0	0	0	0	
7:15 AM	0	0	0	0		0	0	0	0		0	0	0	0		0	0	0	0	
7:30 AM	0	0	0	0		1	0	0	0		0	0	1	0		0	0	0	0	
7:45 AM	0	0	0	0		0	0	0	0		0	0	0	0		0	0	0	0	
8:00 AM	0	0	0	0		0	0	0	0		0	0	1	0		0	0	0	0	
8:15 AM	0	0	0	0		0	0	0	0		0	0	0	0		0	0	0	0	
8:30 AM	0	0	0	0		0	0	0	0		0	0	1	0		0	0	0	0	
8:45 AM	0	0	0	0		0	0	0	0		0	0	0	0		0	0	0	0	

Study Name Main St & McDonald St

Start Date 04/26/2016

Start Time 11:00 AM

Site Code

Unit Number

Start Time	Southwestbound St. Southwestbound				Northwestbound St. Northwestbound				Northeastbound St. Northeastbound				Southeastbound St. Southeastbound			
	Right	Thru	Left	U-Turn	Right	Thru	Left	U-Turn	Right	Thru	Left	U-Turn	Right	Thru	Left	U-Turn
11:00 AM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11:15 AM	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11:30 AM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11:45 AM	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12:00 PM	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0
12:15 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12:30 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12:45 PM	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1:00 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3:00 PM	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0
3:15 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0
3:30 PM	0	0	0	0	0	0	0	0	0	1	0	0	1	0	1	0
3:45 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4:00 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4:15 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4:30 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4:45 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5:00 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5:15 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5:30 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5:45 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6:00 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6:00 AM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6:15 AM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6:30 AM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6:45 AM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7:00 AM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7:15 AM	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0
7:30 AM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7:45 AM	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8:00 AM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8:15 AM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8:30 AM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8:45 AM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Study Name Main St & McDonald St
Start Date 04/26/2016
Start Time 11:00 AM
Site Code
Unit Number

	Southwestbound St. Southwestbound				Northwestbound St. Northwestbound				Northeastbound St. Northeastbound				Southeastbound St. Southeastbound			
Start Time	Right	Thru	Left	U-Turn	Right	Thru	Left	U-Turn	Right	Thru	Left	U-Turn	Right	Thru	Left	U-Turn
11:00 AM	3	3	1	0	3	10	1	0	3	8	4	0	2	20	4	0
11:15 AM	3	1	2	0	2	16	1	0	2	9	6	0	3	15	5	0
11:30 AM	4	0	2	0	0	17	2	0	2	10	1	0	10	25	9	0
11:45 AM	5	4	3	0	5	16	0	0	4	10	5	0	4	36	7	0
12:00 PM	5	3	4	0	2	16	0	0	1	5	8	0	6	28	6	0
12:15 PM	4	2	2	0	6	13	1	0	2	11	6	0	3	37	8	0
12:30 PM	4	3	1	0	2	10	2	0	2	10	3	0	0	19	9	0
12:45 PM	2	5	3	0	6	9	0	0	2	5	0	0	2	30	8	0
1:00 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3:00 PM	2	2	9	0	4	15	1	0	1	7	2	0	2	24	6	0
3:15 PM	3	1	3	0	2	14	0	0	2	12	5	0	0	17	5	0
3:30 PM	5	2	2	0	1	10	0	0	3	10	5	0	2	28	12	0
3:45 PM	5	0	7	0	1	17	1	0	3	6	2	0	6	28	12	0
4:00 PM	3	1	2	0	2	14	0	0	2	7	1	0	3	24	7	0
4:15 PM	0	4	3	0	3	25	0	0	0	8	5	0	2	22	9	0
4:30 PM	4	1	1	0	2	15	1	0	2	3	7	0	2	25	9	0
4:45 PM	5	4	4	0	5	18	1	0	0	3	3	0	5	28	8	0
5:00 PM	5	2	1	0	3	34	0	0	1	10	3	0	6	43	6	0
5:15 PM	6	5	2	0	5	19	4	0	7	15	3	0	8	34	7	0
5:30 PM	4	2	1	0	5	18	1	0	5	11	4	0	4	25	6	0
5:45 PM	4	1	7	0	4	21	1	0	1	9	3	0	3	35	6	0
6:00 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6:00 AM	0	1	0	0	0	3	0	0	0	1	0	0	1	2	2	0
6:15 AM	0	1	0	0	0	0	1	0	0	2	0	0	0	9	0	0
6:30 AM	0	3	0	0	0	1	1	0	0	1	1	0	1	16	1	0
6:45 AM	0	3	0	0	0	4	0	0	0	2	1	0	3	23	2	0
7:00 AM	0	0	1	0	2	1	0	0	0	2	0	0	0	9	0	0
7:15 AM	1	0	0	0	2	8	0	0	1	2	1	0	2	18	0	0
7:30 AM	1	5	0	0	3	7	2	0	0	4	1	0	1	38	2	0
7:45 AM	1	3	1	0	0	18	3	0	1	4	0	0	2	46	4	0
8:00 AM	1	4	1	0	1	3	0	0	3	0	2	0	5	34	4	0
8:15 AM	0	1	1	0	1	11	0	0	0	1	0	0	3	12	3	0
8:30 AM	3	1	1	0	0	4	1	0	1	3	3	0	1	23	3	0
8:45 AM	1	3	0	0	0	13	1	0	2	2	1	0	4	22	2	0

Totals

Study Name Main St & McDonald St**Start Date 04/26/2016****Start Time 11:00 AM****Site Code****Unit Number**

Start Time	Southwestbound St. Southwestbound		Northwestbound St. Northwestbound		Northeastbound St. Northeastbound		Southeastbound St. Southeastbound	
	Bikes CCW	Bikes CW	Bikes CCW	Bikes CW	Bikes CCW	Bikes CW	Bikes CCW	Bikes CW
11:00 AM	0	0	0	0	0	0	0	0
11:15 AM	0	0	0	0	0	0	0	0
11:30 AM	0	1	0	0	0	0	0	0
11:45 AM	0	0	0	0	0	0	0	0
12:00 PM	0	0	0	0	0	0	0	0
12:15 PM	0	0	0	0	0	0	0	0
12:30 PM	0	0	0	0	0	0	0	0
12:45 PM	0	0	0	0	0	0	0	0
1:00 PM	0	0	0	0	0	0	0	0
3:00 PM	0	0	1	0	0	0	0	0
3:15 PM	0	0	0	0	0	0	0	0
3:30 PM	0	0	0	0	0	0	0	0
3:45 PM	0	0	0	0	0	0	0	0
4:00 PM	0	0	0	0	0	0	0	0
4:15 PM	0	0	0	0	0	0	0	0
4:30 PM	0	0	0	0	0	0	0	0
4:45 PM	0	0	0	0	0	0	0	0
5:00 PM	0	0	0	0	0	0	0	0
5:15 PM	0	0	0	0	0	0	0	0
5:30 PM	0	0	0	0	0	0	0	0
5:45 PM	0	0	0	0	0	0	0	0
6:00 PM	0	0	0	0	0	0	0	0
6:00 AM	0	0	0	0	0	0	0	0
6:15 AM	0	0	0	0	0	0	0	0
6:30 AM	0	0	0	0	0	0	0	0
6:45 AM	0	0	0	0	0	0	0	0
7:00 AM	0	0	0	0	0	0	0	0
7:15 AM	0	0	0	0	0	0	0	0
7:30 AM	0	0	0	0	0	0	0	0
7:45 AM	0	0	0	0	0	0	0	0
8:00 AM	0	0	0	0	0	0	0	0
8:15 AM	0	0	0	0	0	0	0	0
8:30 AM	0	0	0	0	0	0	0	0
8:45 AM	0	0	0	0	0	0	0	0

Study Name Main St & McDonald St**Start Date 04/26/2016****Start Time 11:00 AM****Site Code****Unit Number**

	Southwestbound St. Southwestbound		Northwestbound St. Northwestbound		Northeastbound St. Northeastbound		Southeastbound St. Southeastbound	
Start Time	Peds CCW	Peds CW	Peds CCW	Peds CW	Peds CCW	Peds CW	Peds CCW	Peds CW
11:00 AM	1	4	2	0	3	1	5	0
11:15 AM	1	1	2	1	2	2	3	1
11:30 AM	2	1	1	4	2	6	8	0
11:45 AM	10	3	0	3	0	4	12	1
12:00 PM	4	4	2	2	2	3	6	2
12:15 PM	7	6	3	2	4	4	8	6
12:30 PM	6	5	8	1	7	1	5	4
12:45 PM	13	8	4	0	5	2	5	6
1:00 PM	0	0	0	0	0	0	0	0
3:00 PM	0	3	0	1	0	0	0	0
3:15 PM	4	3	1	3	0	0	0	0
3:30 PM	1	2	0	1	1	2	1	3
3:45 PM	1	4	0	0	2	1	1	1
4:00 PM	3	5	2	4	2	6	0	4
4:15 PM	1	3	0	3	0	3	0	4
4:30 PM	0	1	2	3	4	1	2	0
4:45 PM	1	0	1	4	1	0	1	0
5:00 PM	12	3	3	4	1	7	5	4
5:15 PM	2	3	0	4	2	10	7	4
5:30 PM	5	4	2	2	2	6	7	0
5:45 PM	3	1	3	2	3	5	3	0
6:00 PM	0	0	0	0	0	0	0	0
6:00 AM	0	0	0	0	0	0	0	0
6:15 AM	0	0	0	0	0	0	0	1
6:30 AM	0	0	0	0	2	0	0	0
6:45 AM	0	0	0	0	0	0	0	0
7:00 AM	0	0	2	0	0	0	0	0
7:15 AM	0	0	0	0	0	0	0	0
7:30 AM	0	0	0	2	0	2	0	2
7:45 AM	0	0	0	0	0	0	2	0
8:00 AM	1	2	2	0	1	0	2	1
8:15 AM	0	1	1	0	0	0	1	1
8:30 AM	0	0	1	0	1	0	2	0
8:45 AM	3	2	0	3	0	1	0	1

Study Name Main St & Rodd St

Start Date 04/26/2016

Start Time 11:00 AM

Site Code

Unit Number

Start Time	Southwestbound St. Southwestbound				Northwestbound St. Northwestbound				Northeastbound St. Northeastbound				Southeastbound St. Southeastbound			
	Right	Thru	Left	U-Turn	Right	Thru	Left	U-Turn	Right	Thru	Left	U-Turn	Right	Thru	Left	U-Turn
11:00 AM	0	0	0	0	5	13	1	0	1	6	1	0	0	20	10	0
11:15 AM	0	0	0	0	7	17	2	0	2	1	1	0	0	12	10	0
11:30 AM	0	0	0	0	8	23	1	0	5	3	1	0	2	17	8	0
11:45 AM	0	0	0	0	6	17	3	0	1	11	0	0	1	25	16	0
12:00 PM	0	0	0	0	11	16	1	0	3	7	3	0	4	16	10	0
12:15 PM	0	0	0	0	6	23	2	0	4	6	0	0	7	19	16	0
12:30 PM	0	0	0	0	9	8	4	0	1	7	1	0	1	11	15	0
12:45 PM	0	0	0	0	12	10	6	0	2	3	1	0	1	18	13	0
1:00 PM	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0
3:00 PM	0	0	0	0	1	17	0	0	0	8	1	0	2	18	11	0
3:15 PM	0	0	0	0	3	15	0	0	3	10	0	0	1	14	7	0
3:30 PM	0	0	0	0	5	14	0	0	2	8	1	0	0	18	12	0
3:45 PM	0	0	0	0	1	17	1	0	2	5	1	0	5	16	17	0
4:00 PM	0	0	0	0	7	16	4	0	3	9	0	0	1	14	12	0
4:15 PM	0	0	0	0	4	25	0	0	3	5	0	0	2	3	16	0
4:30 PM	0	0	0	0	6	17	1	0	3	6	1	0	0	11	19	0
4:45 PM	0	0	0	0	2	21	3	0	0	8	0	0	2	17	12	0
5:00 PM	0	0	0	0	11	35	2	0	4	22	2	0	4	23	22	0
5:15 PM	0	0	0	0	6	28	2	0	1	15	1	0	4	9	24	0
5:30 PM	0	0	0	0	6	21	2	0	1	9	1	0	11	12	5	0
5:45 PM	0	0	0	0	2	23	3	0	0	5	2	0	4	16	19	0
6:00 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6:00 AM	0	0	0	0	0	3	1	0	0	0	0	0	0	2	0	0
6:15 AM	0	0	0	0	0	3	0	0	0	0	0	0	0	4	2	0
6:30 AM	0	0	0	0	1	2	5	0	0	0	0	0	1	8	4	0
6:45 AM	0	0	0	0	0	4	2	0	0	3	0	0	2	14	8	0
7:00 AM	0	0	0	0	1	1	0	0	1	2	0	0	0	4	4	0
7:15 AM	0	0	0	0	1	9	4	0	0	2	0	0	0	8	12	0
7:30 AM	0	0	0	0	2	12	6	0	3	6	0	0	1	23	14	0
7:45 AM	0	0	0	0	0	23	14	0	0	6	0	0	3	32	10	0
8:00 AM	0	0	0	0	3	3	7	0	2	2	0	0	1	23	13	0
8:15 AM	0	0	0	0	3	11	5	0	1	3	1	0	0	11	3	0
8:30 AM	0	0	0	0	2	7	2	0	1	1	1	0	3	17	4	0
8:45 AM	0	0	0	0	1	14	3	0	2	4	0	0	2	14	4	0
9:00 AM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Study Name Main St & Rodd St
Start Date 04/26/2016
Start Time 11:00 AM
Site Code
Unit Number

	Southwestbound St. Southwestbound				Northwestbound St. Northwestbound				Northeastbound St. Northeastbound				Southeastbound St. Southeastbound			
Start Time	Right	Thru	Left	U-Turn	Right	Thru	Left	U-Turn	Right	Thru	Left	U-Turn	Right	Thru	Left	U-Turn
11:00 AM	0	0	0	0	0	0	1	0	0	1	1	0	0	1	0	0
11:15 AM	0	0	0	0	1	0	0	0	0	1	0	0	0	0	0	0
11:30 AM	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0
11:45 AM	0	0	0	0	0	0	0	0	0	1	0	0	0	1	0	0
12:00 PM	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0
12:15 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12:30 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12:45 PM	0	0	0	0	0	0	0	0	0	1	0	0	1	0	0	0
1:00 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3:00 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	2	0	0
3:15 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3:30 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3:45 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4:00 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4:15 PM	0	0	0	0	0	0	0	0	0	1	0	0	0	0	1	0
4:30 PM	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0
4:45 PM	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0
5:00 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5:15 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5:30 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5:45 PM	0	0	0	0	0	0	0	0	0	1	0	0	1	0	1	0
6:00 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6:00 AM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6:15 AM	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0
6:30 AM	0	0	0	0	0	0	0	0	0	2	0	0	0	0	0	0
6:45 AM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7:00 AM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7:15 AM	0	0	0	0	1	1	0	0	0	0	0	0	0	0	0	0
7:30 AM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7:45 AM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8:00 AM	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0
8:15 AM	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0
8:30 AM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8:45 AM	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0
9:00 AM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Study Name Main St & Rodd St

Start Date 04/26/2016

Start Time 11:00 AM

Site Code

Unit Number

Start Time	Southwestbound St. Southwestbound				Northwestbound St. Northwestbound				Northeastbound St. Northeastbound				Southeastbound St. Southeastbound			
	Right	Thru	Left	U-Turn	Right	Thru	Left	U-Turn	Right	Thru	Left	U-Turn	Right	Thru	Left	U-Turn
11:00 AM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11:15 AM	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0
11:30 AM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11:45 AM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12:00 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12:15 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12:30 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12:45 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1:00 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3:00 PM	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0
3:15 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0
3:30 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3:45 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4:00 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4:15 PM	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0
4:30 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4:45 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5:00 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5:15 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5:30 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5:45 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6:00 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6:00 AM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6:15 AM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6:30 AM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6:45 AM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7:00 AM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7:15 AM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7:30 AM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0
7:45 AM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8:00 AM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8:15 AM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8:30 AM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8:45 AM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9:00 AM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Study Name Main St & Rodd St
Start Date 04/26/2016
Start Time 11:00 AM
Site Code
Unit Number

	Southwestbound St. Southwestbound				Northwestbound St. Northwestbound				Northeastbound St. Northeastbound				Southeastbound St. Southeastbound			
Start Time	Right	Thru	Left	U-Turn	Right	Thru	Left	U-Turn	Right	Thru	Left	U-Turn	Right	Thru	Left	U-Turn
11:00 AM	0	0	0	0	5	13	2	0	1	7	2	0	0	21	10	0
11:15 AM	0	0	0	0	8	17	2	0	2	3	1	0	0	12	10	0
11:30 AM	0	0	0	0	8	24	1	0	5	3	1	0	2	17	8	0
11:45 AM	0	0	0	0	6	17	3	0	1	12	0	0	1	26	16	0
12:00 PM	0	0	0	0	12	16	1	0	3	7	3	0	4	16	10	0
12:15 PM	0	0	0	0	6	23	2	0	4	6	0	0	7	19	16	0
12:30 PM	0	0	0	0	9	8	4	0	1	7	1	0	1	11	15	0
12:45 PM	0	0	0	0	12	10	6	0	2	4	1	0	2	18	13	0
1:00 PM	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0
3:00 PM	0	0	0	0	1	18	0	0	0	8	1	0	2	20	11	0
3:15 PM	0	0	0	0	3	15	0	0	3	10	0	0	1	14	8	0
3:30 PM	0	0	0	0	5	14	0	0	2	8	1	0	0	18	12	0
3:45 PM	0	0	0	0	1	17	1	0	2	5	1	0	5	16	17	0
4:00 PM	0	0	0	0	7	16	4	0	3	9	0	0	1	14	12	0
4:15 PM	0	0	0	0	4	25	0	0	3	7	0	0	2	3	17	0
4:30 PM	0	0	0	0	6	18	1	0	3	6	1	0	0	11	19	0
4:45 PM	0	0	0	0	3	21	3	0	0	8	0	0	2	17	12	0
5:00 PM	0	0	0	0	11	35	2	0	4	22	2	0	4	23	22	0
5:15 PM	0	0	0	0	6	28	2	0	1	15	1	0	4	9	24	0
5:30 PM	0	0	0	0	6	21	2	0	1	9	1	0	11	12	5	0
5:45 PM	0	0	0	0	2	23	3	0	0	6	2	0	5	16	20	0
6:00 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6:00 AM	0	0	0	0	0	3	1	0	0	0	0	0	0	2	0	0
6:15 AM	0	0	0	0	0	3	0	0	0	0	0	0	1	4	2	0
6:30 AM	0	0	0	0	1	2	5	0	0	2	0	0	1	8	4	0
6:45 AM	0	0	0	0	0	4	2	0	0	3	0	0	2	14	8	0
7:00 AM	0	0	0	0	1	1	0	0	1	2	0	0	0	4	4	0
7:15 AM	0	0	0	0	2	10	4	0	0	2	0	0	0	8	12	0
7:30 AM	0	0	0	0	2	12	6	0	3	6	0	0	1	23	15	0
7:45 AM	0	0	0	0	0	23	14	0	0	6	0	0	3	32	10	0
8:00 AM	0	0	0	0	3	3	7	0	2	3	0	0	1	23	13	0
8:15 AM	0	0	0	0	3	11	5	0	2	3	1	0	0	11	3	0
8:30 AM	0	0	0	0	2	7	2	0	1	1	1	0	3	17	4	0
8:45 AM	0	0	0	0	1	14	3	0	2	4	0	0	2	15	4	0
9:00 AM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Totals

Study Name Main St & Rodd St**Start Date 04/26/2016****Start Time 11:00 AM****Site Code****Unit Number**

	Southwestbound St. Southwestbound		Northwestbound St. Northwestbound		Northeastbound St. Northeastbound		Southeastbound St. Southeastbound	
Start Time	Bikes CCW	Bikes CW	Bikes CCW	Bikes CW	Bikes CCW	Bikes CW	Bikes CCW	Bikes CW
11:00 AM	0	1	0	0	0	0	0	0
11:15 AM	0	0	0	0	0	0	0	0
11:30 AM	0	1	0	0	0	0	0	0
11:45 AM	0	0	0	0	0	0	0	0
12:00 PM	0	0	0	0	0	0	0	0
12:15 PM	0	0	0	0	0	0	0	0
12:30 PM	0	0	0	0	0	0	0	0
12:45 PM	0	0	0	0	0	0	0	0
1:00 PM	0	0	0	0	0	0	0	0
3:00 PM	0	0	0	0	0	0	0	0
3:15 PM	0	0	0	0	0	0	0	0
3:30 PM	0	0	0	0	0	0	0	0
3:45 PM	0	0	0	0	0	0	0	0
4:00 PM	0	0	0	0	0	0	0	0
4:15 PM	0	0	0	0	0	0	0	0
4:30 PM	0	0	0	0	0	0	0	0
4:45 PM	0	0	0	0	0	0	0	0
5:00 PM	0	0	0	0	0	0	0	0
5:15 PM	0	0	0	0	0	0	0	0
5:30 PM	0	0	1	0	0	0	0	0
5:45 PM	0	0	0	0	0	0	0	0
6:00 PM	0	0	0	0	0	0	0	0
6:00 AM	0	0	0	0	0	0	0	0
6:15 AM	0	0	0	0	0	0	0	0
6:30 AM	0	0	0	0	0	0	0	0
6:45 AM	0	0	0	0	0	0	0	0
7:00 AM	0	0	0	0	0	0	0	0
7:15 AM	0	0	0	0	0	0	0	0
7:30 AM	0	0	0	0	0	0	0	0
7:45 AM	0	0	0	0	0	0	0	0
8:00 AM	0	0	0	0	0	0	0	0
8:15 AM	0	0	0	0	0	0	0	0
8:30 AM	0	0	0	0	0	0	0	0
8:45 AM	0	0	0	0	0	0	0	0
9:00 AM	0	0	0	0	0	0	0	0

Study Name Main St & Rodd St**Start Date 04/26/2016****Start Time 11:00 AM****Site Code****Unit Number**

	Southwestbound St. Southwestbound		Northwestbound St. Northwestbound		Northeastbound St. Northeastbound		Southeastbound St. Southeastbound	
Start Time	Peds CCW	Peds CW	Peds CCW	Peds CW	Peds CCW	Peds CW	Peds CCW	Peds CW
11:00 AM	1	2	0	0	0	0	0	0
11:15 AM	2	2	1	1	1	0	0	0
11:30 AM	2	1	1	0	1	0	0	0
11:45 AM	1	3	1	1	0	2	2	0
12:00 PM	3	5	0	4	0	1	6	1
12:15 PM	8	1	5	2	7	2	4	0
12:30 PM	1	2	2	0	1	0	2	1
12:45 PM	3	4	1	1	0	0	3	4
1:00 PM	0	0	0	0	0	0	0	0
3:00 PM	0	0	0	0	0	0	2	0
3:15 PM	2	1	0	0	0	0	0	1
3:30 PM	1	2	0	2	1	0	1	1
3:45 PM	2	0	0	1	2	2	1	3
4:00 PM	2	1	0	0	1	1	2	1
4:15 PM	2	2	0	0	0	1	0	1
4:30 PM	0	0	0	0	0	0	1	0
4:45 PM	3	1	1	0	0	0	2	0
5:00 PM	3	0	0	6	0	4	4	0
5:15 PM	5	3	0	0	0	0	4	2
5:30 PM	1	1	1	1	0	4	4	0
5:45 PM	2	0	0	1	0	5	0	0
6:00 PM	0	0	0	0	0	0	0	0
6:00 AM	0	0	0	0	0	0	0	0
6:15 AM	2	0	0	0	0	0	0	0
6:30 AM	0	0	0	0	1	0	0	0
6:45 AM	0	0	0	0	0	0	0	2
7:00 AM	0	0	0	0	0	0	0	0
7:15 AM	0	0	0	0	0	0	1	1
7:30 AM	1	2	1	0	1	0	0	3
7:45 AM	1	0	12	0	3	0	0	6
8:00 AM	2	0	0	0	0	1	0	3
8:15 AM	2	1	1	0	0	0	1	0
8:30 AM	4	3	0	0	0	1	0	1
8:45 AM	0	2	0	0	0	1	0	2
9:00 AM	0	0	0	0	0	0	0	0

Pedestrians

Start Date: 12/10/2016
Main Street & Ashman Street
Midland ,MI
2:00-3:00 PM

Start Time	MAIN STREET Southbound				ASHMAN STREET Westbound				MAIN STREET Northbound				ASHMAN STREET Eastbound			
	RIGHT	THRU	LEFT	PEDS	RIGHT	THRU	LEFT	PEDS	RIGHT	THRU	LEFT	PEDS	RIGHT	THRU	LEFT	PEDS
02:00 PM	2	17	0	17	15	8	8	32	0	27	3	7	0	0	0	13
02:15 PM	2	25	0	26	20	6	12	37	1	23	3	1	0	0	0	12
02:30 PM	4	26	0	6	18	9	11	24	0	20	1	2	0	0	0	16
02:45 PM	3	22	0	7	17	7	12	13	0	20	1	7	0	0	0	30

Start Date: 12/10/2016
Main Street & Ashman Street
Midland ,MI
2:00-3:00 PM

Start Time	MAIN STREET Southbound				ASHMAN STREET Westbound				MAIN STREET Northbound				ASHMAN STREET Eastbound			
	RIGHT	THRU	LEFT	BIKES	RIGHT	THRU	LEFT	BIKES	RIGHT	THRU	LEFT	BIKES	RIGHT	THRU	LEFT	BIKES
02:00 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
02:15 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
02:30 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
02:45 PM	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0

Start Date: 12/10/2016
Main Street & Ashman Street
Midland ,MI
2:00-3:00 PM

Start Time	MAIN STREET Southbound				ASHMAN STREET Westbound				MAIN STREET Northbound				ASHMAN STREET Eastbound			
	RIGHT	THRU	LEFT		RIGHT	THRU	LEFT		RIGHT	THRU	LEFT		RIGHT	THRU	LEFT	
02:00 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
02:15 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
02:30 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
02:45 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Start Date: 12/10/2016
Main Street & Ashman Street
Midland ,MI
2:00-3:00 PM

Start Time	MAIN STREET Southbound				ASHMAN STREET Westbound				MAIN STREET Northbound				ASHMAN STREET Eastbound			
	RIGHT	THRU	LEFT	PEDS	RIGHT	THRU	LEFT	PEDS	RIGHT	THRU	LEFT	PEDS	RIGHT	THRU	LEFT	PEDS
02:00 PM	2	17	0	17	15	8	8	32	0	27	3	7	0	0	0	13
02:15 PM	2	25	0	26	20	6	12	37	1	23	3	1	0	0	0	12
02:30 PM	4	26	0	6	18	9	11	24	0	20	1	2	0	0	0	16
02:45 PM	3	22	0	7	17	7	12	13	0	21	1	7	0	0	0	30

Total

Start Date: 12/10/2016
Main Street & McDonald Street
Midland, MI
2:00 - 6:00 PM

Start Time	MAIN STREET Southbound				MCDONALD STREET Westbound				MAIN STREET Northbound				MCDONALD STREET Eastbound			
	Right	Thru	Left	Peds	Right	Thru	Left	Peds	Right	Thru	Left	Peds	Right	Thru	Left	Peds
02:00 PM	2	21	6	7	3	3	2	13	1	16	1	7	3	5	4	19
02:15 PM	0	24	9	9	6	0	1	14	1	13	0	4	2	6	3	13
02:30 PM	6	23	10	7	7	2	1	23	5	12	0	9	3	0	1	10
02:45 PM	4	23	9	8	5	1	3	28	1	15	0	9	3	4	3	23
03:00 PM	0	15	5	10	5	1	4	20	1	17	0	7	3	3	0	24
03:15 PM	0	33	10	12	2	0	2	11	1	15	0	4	1	2	3	14
03:30 PM	1	12	9	10	6	0	4	19	4	13	0	4	1	7	4	9
03:45 PM	2	18	3	17	4	1	2	20	3	13	0	2	2	2	2	9
04:00 PM	2	31	9	7	3	2	1	15	0	13	2	3	1	7	2	9
04:15 PM	2	22	7	15	3	1	1	22	4	17	1	0	3	7	0	10
04:30 PM	3	22	11	0	4	2	2	6	3	8	0	0	5	3	2	9
04:45 PM	3	28	10	11	6	0	0	20	1	8	1	3	0	4	1	9
05:00 PM	8	16	6	12	4	1	2	6	0	11	0	1	3	2	2	6
05:15 PM	1	27	10	1	5	0	4	9	0	14	0	3	2	4	3	7
05:30 PM	1	22	9	2	1	0	0	6	1	13	0	0	0	0	2	6
05:45 PM	0	19	10	0	2	0	0	0	1	11	1	0	0	3	3	5

Start Date: 12/10/2016
Main Street & McDonald Street
Midland, MI
2:00 - 6:00 PM

Start Time	MAIN STREET Southbound				MCDONALD STREET Westbound				MAIN STREET Northbound				MCDONALD STREET Eastbound			
	Right	Thru	Left	BIKES	Right	Thru	Left	BIKES	Right	Thru	Left	BIKES	Right	Thru	Left	BIKES
02:00 PM	0	1	0	0	0	0	0	0	0	1	0	0	0	0	0	0
02:15 PM	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
02:30 PM	0	0	0	0	0	0	0	0	0	2	0	0	0	0	0	0
02:45 PM	0	1	0	0	0	0	0	0	0	1	0	0	0	0	0	0
03:00 PM	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
03:15 PM	0	1	0	0	0	0	0	0	0	1	0	0	0	0	0	0
03:30 PM	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0
03:45 PM	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
04:00 PM	0	1	0	0	0	0	0	0	0	1	0	0	0	0	0	0
04:15 PM	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0
04:30 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
04:45 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
05:00 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
05:15 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
05:30 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
05:45 PM	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Start Date: 12/10/2016
Main Street & McDonald Street
Midland, MI
2:00 - 6:00 PM

Start Time	MAIN STREET Southbound				MCDONALD STREET Westbound				MAIN STREET Northbound				MCDONALD STREET Eastbound			
	Right	Thru	Left		Right	Thru	Left		Right	Thru	Left		Right	Thru	Left	
02:00 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
02:15 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
02:30 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
02:45 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
03:00 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
03:15 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
03:30 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
03:45 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
04:00 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
04:15 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
04:30 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
04:45 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
05:00 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
05:15 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
05:30 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
05:45 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Start Date: 12/10/2016
Main Street & McDonald Street
Midland, MI
2:00 - 6:00 PM

Start Time	MAIN STREET Southbound				MCDONALD STREET Westbound				MAIN STREET Northbound				MCDONALD STREET Eastbound			
	Right	Thru	Left	Peds	Right	Thru	Left	Peds	Right	Thru	Left	Peds	Right	Thru	Left	Peds
02:00 PM	2	22	6	7	3	3	2	13	1	17	1	7	3	5	4	19
02:15 PM	0	25	9	9	6	0	1	14	1	13	0	4	2	6	3	13
02:30 PM	6	23	10	7	7	2	1	23	5	14	0	9	3	0	1	10
02:45 PM	4	24	9	8	5	1	3	28	1	16	0	9	3	4	3	23
03:00 PM	0	16	5	10	5	1	4	20	1	17	0	7	3	3	0	24
03:15 PM	0	34	10	12	2	0	2	11	1	16	0	4	1	2	3	14
03:30 PM	1	12	9	10	6	0	4	19	4	14	0	4	1	7	4	9
03:45 PM	2	19	3	17	4	1	2	20	3	13	0	2	2	2	2	9
04:00 PM	2	32	9	7	3	2	1	15	0	14	2	3	1	7	2	9
04:15 PM	2	22	7	15	3	1	1	22	4	18	1	0	3	7	0	10
04:30 PM	3	22	11	0	4	2	2	6	3	8	0	0	5	3	2	9
04:45 PM	3	28	10	11	6	0	0	20	1	8	1	3	0	4	1	9
05:00 PM	8	16	6	12	4	1	2	6	0	11	0	1	3	2	2	6
05:15 PM	1	27	10	1	5	0	4	9	0	14	0	3	2	4	3	7
05:30 PM	1	22	9	2	1	0	0	6	1	13	0	0	0	0	2	6
05:45 PM	0	20	10	0	2	0	0	0	1	11	1	0	0	3	3	5

Total

Start Date: 12/10/2016
Main Street & Rodd Street
Midland,MI
2:00 - 3:00 PM

Start Time	MAIN STREET Southbound				RODD STREET Westbound				MAIN STREET Northbound				RODD STREET Eastbound			
	RIGHT	THRU	LEFT	PEDS	RIGHT	THRU	LEFT	PEDS	RIGHT	THRU	LEFT	PEDS	RIGHT	THRU	LEFT	PEDS
02:00 PM	1	14	9	6	0	0	0	0	2	20	3	0	1	5	1	2
02:15 PM	0	15	10	0	0	0	0	0	3	12	1	0	0	5	1	5
02:30 PM	2	14	12	0	0	0	0	0	0	11	0	0	0	1	3	3
02:45 PM	2	13	8	5	0	0	0	0	3	17	2	0	0	2	1	1

Start Date: 12/10/2016
Main Street & Rodd Street
Midland,MI
2:00 - 3:00 PM

Start Time	MAIN STREET Southbound				RODD STREET Westbound				MAIN STREET Northbound				RODD STREET Eastbound			
	RIGHT	THRU	LEFT	BIKES	RIGHT	THRU	LEFT	BIKES	RIGHT	THRU	LEFT	BIKES	RIGHT	THRU	LEFT	BIKES
02:00 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
02:15 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
02:30 PM	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0
02:45 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Start Date: 12/10/2016
Main Street & Rodd Street
Midland,MI
2:00 - 3:00 PM

Start Time	MAIN STREET Southbound				RODD STREET Westbound				MAIN STREET Northbound				RODD STREET Eastbound			
	RIGHT	THRU	LEFT		RIGHT	THRU	LEFT		RIGHT	THRU	LEFT		RIGHT	THRU	LEFT	
02:00 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
02:15 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
02:30 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
02:45 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Start Date: 12/10/2016
Main Street & Rodd Street
Midland,MI
2:00 - 3:00 PM

Start Time	MAIN STREET Southbound				RODD STREET Westbound				MAIN STREET Northbound				RODD STREET Eastbound			
	RIGHT	THRU	LEFT	PEDS	RIGHT	THRU	LEFT	PEDS	RIGHT	THRU	LEFT	PEDS	RIGHT	THRU	LEFT	PEDS
02:00 PM	1	14	9	6	0	0	0	7	2	20	3	1	1	5	1	2
02:15 PM	0	15	10	0	0	0	0	7	3	12	1	0	0	5	1	5
02:30 PM	2	14	12	0	0	0	0	6	0	12	0	3	0	1	3	3
02:45 PM	2	13	8	5	0	0	0	5	3	17	2	0	0	2	1	1

Total

APPENDIX B
MICHIGAN MANUAL ON UNIFORM TRAFFIC CONTROL DEVICES
SECTIONS 2B.04 TO 2B.07

Table 2B-1. Regulatory Sign and Plaque Sizes (Sheet 4 of 4)

Sign or Plaque	Sign Designation	Section	Conventional Road		Expressway	Freeway	Minimum	Oversized
			Single Lane	Multi-Lane				
SUNDAY (and times) (2 lines) (plaque)	R10-20aP	2B.53	24 x 18	24 x 18	—	—	—	—
Crosswalk, Stop on Red	R10-23	2B.53	24 x 30	24 x 30	—	—	—	—
Push Button To Turn On Warning Lights	R10-25	2B.52	9 x 12	9 x 12	—	—	—	—
Left Turn Yield on Flashing Red Arrow After Stop	R10-27	2B.53	30 x 36	30 x 36	—	—	—	—
XX Vehicles Per Green	R10-28	2B.56	24 x 30	24 x 30	—	—	—	—
XX Vehicles Per Green Each Lane	R10-29	2B.56	36 x 24	36 x 24	—	—	—	—
Right Turn on Red Must Yield to U-Turn	R10-30	2B.54	30 x 36	30 x 36	—	—	—	—
At Signal (plaque)	R10-31P	2B.53	24 x 9	24 x 9	—	—	—	—
Push Button for 2 Seconds for Extra Crossing Time	R10-32P	2B.52	9 x 12	9 x 12	—	—	—	—
Keep Off Median	R11-1	2B.57	24 x 30	24 x 30	—	—	—	—
Road Closed	R11-2	2B.58	48 x 30	48 x 30	—	—	—	—
Road Closed - Local Traffic Only	R11-3a,3b,4	2B.58	60 x 30	60 x 30	—	—	—	—
Weight Limit	R12-1,2	2B.59	24 x 30	24 x 30	36 x 48	—	—	36 x 48
Weight Limit	R12-3	2B.59	24 x 36	24 x 36	—	—	—	—
Weight Limit	R12-4	2B.59	36 x 24	36 x 24	—	—	—	—
Weight Limit	R12-5	2B.59	24 x 36	24 x 36	36 x 48	48 x 60	—	—
Weigh Station	R13-1	2B.60	72 x 54	72 x 54	96 x 72	120 x 90	—	—
Truck Route	R14-1	2B.61	24 x 18	24 x 18	—	—	—	—
Hazardous Material	R14-2,3	2B.62	24 x 24	24 x 24	30 x 30	36 x 36	—	42 x 42
National Network	R14-4,5	2B.63	30 x 30	30 x 30	36 x 36	36 x 36	—	42 x 42
Fender Bender Move Vehicles	R16-4	2B.65	36 x 24	36 x 24	48 x 36	60 x 48	—	48 x 36
Lights On When Using Wipers or Raining	R16-5,6	2B.64	24 x 30	24 x 30	36 x 48	48 x 60	—	36 x 48
Turn On Headlights Next XX Miles	R16-7	2B.64	48 x 15	48 x 15	72 x 24	96 x 30	—	72 x 24
Turn On, Check Headlights	R16-8,9	2B.64	30 x 15	30 x 15	48 x 24	60 x 30	—	48 x 24
Begin, End Daytime Headlight Section	R16-10,11	2B.64	48 x 15	48 x 15	72 x 24	96 x 30	—	72 x 24

* See Table 9B-1 for minimum size required for signs on bicycle facilities

Notes: 1. Larger signs may be used when appropriate
2. Dimensions in inches are shown as width x height

07 **Where side roads intersect a multi-lane street or highway that has a speed limit of 45 mph or higher, the minimum size of the STOP signs facing the side road approaches, even if the side road only has one approach lane, shall be 36 x 36 inches.**


08 **Where side roads intersect a multi-lane street or highway that has a speed limit of 40 MPH or lower, the minimum size of the STOP signs facing the side road approaches shall be as shown in the Single Lane or Multi-lane columns of Table 2B-1 based on the number of approach lanes on the side street approach.**

Guidance:

09 *The minimum sizes for regulatory signs facing traffic on exit and entrance ramps should be as shown in the column of Table 2B-1 that corresponds to the mainline roadway classification (Expressway or Freeway). If a minimum size is not provided in the Freeway column, the minimum size in the Expressway column should be used. If a minimum size is not provided in the Freeway or Expressway Column, the size in the Oversized column should be used.*

Section 2B.04 Right-of-Way at Intersections

Support:

01  **Section 257.649 of the "Michigan Vehicle Code" (see Section 1A.11) establish the right-of-way rule at intersections having no regulatory traffic control signs such that the driver of a vehicle approaching an intersection must yield the right-of-way to any vehicle already in the intersection. When two vehicles approach an intersection from different streets or highways at approximately the same time, the right-of-way rule requires**

the vehicle on the left to yield the right-of-way to the vehicle on the right. The right-of-way can be modified at through streets or highways by placing YIELD (R1-2) signs (see Sections 2B.08 and 2B.09) or STOP (R1-1) signs (see Sections 2B.05 through 2B.07) on one or more approaches.

Guidance:

- 02 *Engineering judgment should be used to establish intersection control. The following factors should be considered:*
- A. *Vehicular, bicycle, and pedestrian traffic volumes on all approaches;*
 - B. *Number and angle of approaches;*
 - C. *Approach speeds;*
 - D. *Sight distance available on each approach; and*
 - E. *Reported crash experience.*
- 03 *YIELD or STOP signs should be used at an intersection if one or more of the following conditions exist:*
- A. *An intersection of a less important road with a main road where application of the normal right-of-way rule would not be expected to provide reasonable compliance with the law;*
 - B. *A street entering a designated through highway or street; and/or*
 - C. *An unsignalized intersection in a signalized area.*
- 04 *In addition, the use of YIELD or STOP signs should be considered at the intersection of two minor streets or local roads where the intersection has more than three approaches and where one or more of the following conditions exist:*
- A. *The combined vehicular, bicycle, and pedestrian volume entering the intersection from all approaches averages more than 2,000 units per day;*
 - B. *The ability to see conflicting traffic on an approach is not sufficient to allow a road user to stop or yield in compliance with the normal right-of-way rule if such stopping or yielding is necessary; and/or*
 - C. *Crash records indicate that five or more crashes that involve the failure to yield the right-of-way at the intersection under the normal right-of-way rule have been reported within a 3-year period, or that three or more such crashes have been reported within a 2-year period.*

Standard:

- 05 **YIELD or STOP signs shall not be used for speed control.**

Support:

- 06 Section 2B.07 contains provisions regarding the application of multi-way STOP control at an intersection.

Guidance:

- 07 *Once the decision has been made to control an intersection, the decision regarding the appropriate roadway to control should be based on engineering judgment. In most cases, the roadway carrying the lowest volume of traffic should be controlled.*
- 08 *A YIELD or STOP sign should not be installed on the higher volume roadway unless justified by an engineering study.*

Support:

- 09 The following are considerations that might influence the decision regarding the appropriate roadway upon which to install a YIELD or STOP sign where two roadways with relatively equal volumes and/or characteristics intersect:
- A. Controlling the direction that conflicts the most with established pedestrian crossing activity or school walking routes;
 - B. Controlling the direction that has obscured vision, dips, or bumps that already require drivers to use lower operating speeds; and
 - C. Controlling the direction that has the best sight distance from a controlled position to observe conflicting traffic.

Standard:

- 10 **Because the potential for conflicting commands could create driver confusion, YIELD or STOP signs shall not be used in conjunction with any traffic control signal operation, except in the following cases:**
- A. **If the signal indication for an approach is a flashing red at all times;**
 - B. **If a minor street or driveway is located within or adjacent to the area controlled by the traffic control signal, but does not require separate traffic signal control because an extremely low potential for conflict exists; or**
 - C. **If a channelized turn lane is separated from the adjacent travel lanes by an island and the channelized turn lane is not controlled by a traffic control signal.**

Except as provided in Section 2B.09, STOP signs and YIELD signs shall not be installed on different approaches to the same unsignalized intersection if those approaches conflict with or oppose each other.

12 Portable or part-time STOP or YIELD signs shall not be used except for emergency and temporary traffic control zone purposes.

13 A portable or part-time (folding) STOP sign that is manually placed into view and manually removed from view shall not be used during a power outage to control a signalized approach unless the maintaining agency establishes that the signal indication that will first be displayed to that approach upon restoration of power is a flashing red signal indication and that the portable STOP sign will be manually removed from view prior to stop-and-go operation of the traffic control signal.

Option:

14 A portable or part-time (folding) STOP sign that is electrically or mechanically operated such that it only displays the STOP message during a power outage and ceases to display the STOP message upon restoration of power may be used during a power outage to control a signalized approach.

Support:

15 Section 9B.03 contains provisions regarding the assignment of priority at a shared-use path/roadway intersection.

Section 2B.05 STOP Sign (R1-1) and ALL WAY Plaque (R1-3P)

Standard:

01 When it is determined that a full stop is always required on an approach to an intersection, a STOP (R1-1) sign (see Figure 2B-1) shall be used.

02 The STOP sign shall be an octagon with a white legend and border on a red background.

03 Secondary legends shall not be used on STOP sign faces.

04 At intersections where all approaches are controlled by STOP signs (see Section 2B.07), an ALL WAY supplemental plaque (R1-3P) shall be mounted below each STOP sign. The ALL WAY plaque (see Figure 2B-1) shall have a white legend and border on a red background.

05 The ALL WAY plaque shall only be used if all intersection approaches are controlled by STOP signs.

06 Supplemental plaques with legends such as 2-WAY, 3-WAY, 4-WAY, or other numbers of ways shall not be used with STOP signs.

Support:

07 The use of the CROSS TRAFFIC DOES NOT STOP (W4-4P) plaque (and other plaques with variations of this word message) is described in Section 2C.59.

Guidance:

08 Plaques with the appropriate alternative messages of TRAFFIC FROM LEFT (RIGHT) DOES NOT STOP (W4-4aP) or ONCOMING TRAFFIC DOES NOT STOP (W4-4bP) should be used at intersections where STOP signs control all but one approach to the intersection, unless the only non-stopped approach is from a one-way street.

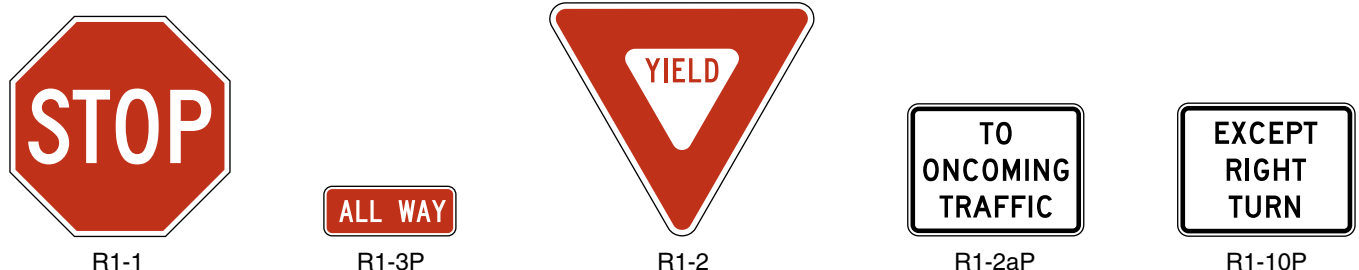
Option:

09 An EXCEPT RIGHT TURN (R1-10P) plaque (see Figure 2B-1) may be mounted below the STOP sign if an engineering study determines that a special combination of geometry and traffic volumes is present that makes it possible for right-turning traffic on the approach to be permitted to enter the intersection without stopping.

Support:

10 The design and application of Stop Beacons are described in Section 4L.05.

Figure 2B-1. STOP and YIELD Signs and Plaques



Section 2B.06 STOP Sign Applications*Guidance:*

- 01 *At intersections where a full stop is not necessary at all times, consideration should first be given to using less restrictive measures such as YIELD signs (see Sections 2B.08 and 2B.09).*
- 02 *The use of STOP signs on the minor-street approaches should be considered if engineering judgment indicates that a stop is always required because of one or more of the following conditions:*
- A. *The vehicular traffic volumes on the through street or highway exceed 6,000 vehicles per day;*
 - B. *A restricted view exists that requires road users to stop in order to adequately observe conflicting traffic on the through street or highway; and/or*
 - C. *Crash records indicate that three or more crashes that are susceptible to correction by the installation of a STOP sign have been reported within a 12-month period, or that five or more such crashes have been reported within a 2-year period. Such crashes include right-angle collisions involving road users on the minor-street approach failing to yield the right-of-way to traffic on the through street or highway.*

Support:

- 03 *The use of STOP signs at grade crossings is described in Sections 8B.04 and 8B.05.*

Section 2B.07 Multi-Way Stop Applications*Support:*

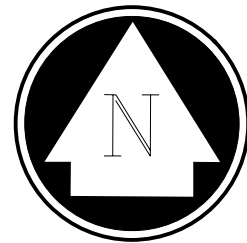
- 01 *Multi-way stop control can be useful as a safety measure at intersections if certain traffic conditions exist. Safety concerns associated with multi-way stops include pedestrians, bicyclists, and all road users expecting other road users to stop. Multi-way stop control is used where the volume of traffic on the intersecting roads is approximately equal.*
- 02 *The restrictions on the use of STOP signs described in Section 2B.04 also apply to multi-way stop applications.*

Guidance:

- 03 *The decision to install multi-way stop control should be based on an engineering study.*
- 04 *The following criteria should be considered in the engineering study for a multi-way STOP sign installation:*
- A. *Where traffic control signals are justified, the multi-way stop is an interim measure that can be installed quickly to control traffic while arrangements are being made for the installation of the traffic control signal.*
 - B. *Five or more reported crashes in a 12-month period that are susceptible to correction by a multi-way stop installation. Such crashes include right-turn and left-turn collisions as well as right-angle collisions.*
 - C. *Minimum volumes:*
 - 1. *The vehicular volume entering the intersection from the major street approaches (total of both approaches) averages at least 300 vehicles per hour for any 8 hours of an average day; and*
 - 2. *The combined vehicular, pedestrian, and bicycle volume entering the intersection from the minor street approaches (total of both approaches) averages at least 200 units per hour for the same 8 hours, with an average delay to minor-street vehicular traffic of at least 30 seconds per vehicle during the highest hour; but*
 - 3. *If the 85th-percentile approach speed of the major-street traffic exceeds 40 mph, the minimum vehicular volume warrants are 70 percent of the values provided in Items 1 and 2.*
 - D. *Where no single criterion is satisfied, but where Criteria B, C.1, and C.2 are all satisfied to 80 percent of the minimum values. Criterion C.3 is excluded from this condition.*

Option:

- 05 *Other criteria that may be considered in an engineering study include:*
- A. *The need to control left-turn conflicts;*
 - B. *The need to control vehicle/pedestrian conflicts near locations that generate high pedestrian volumes;*
 - C. *Locations where a road user, after stopping, cannot see conflicting traffic and is not able to negotiate the intersection unless conflicting cross traffic is also required to stop; and*
 - D. *An intersection of two residential neighborhood collector (through) streets of similar design and operating characteristics where multi-way stop control would improve traffic operational characteristics of the intersection.*



MAIN ST.

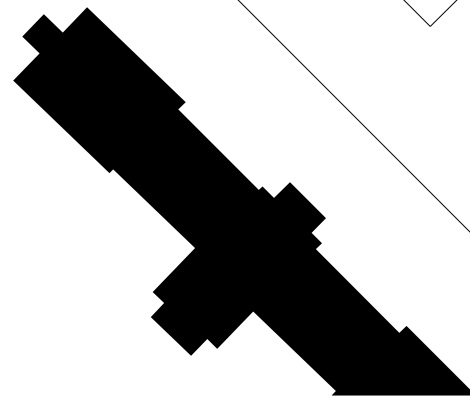
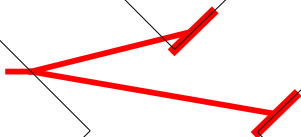
ASHMAN ST.

MCDONALD ST.

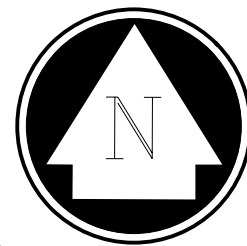
RODD ST.

ANN ST.

P-16-06



LOCATION MAP
FOR TRAFFIC CONTROL ORDER NO.
P-16-06



MAIN ST.

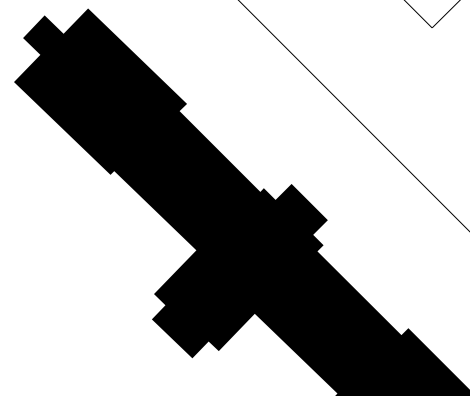
ASHMAN ST.

MCDONALD ST.

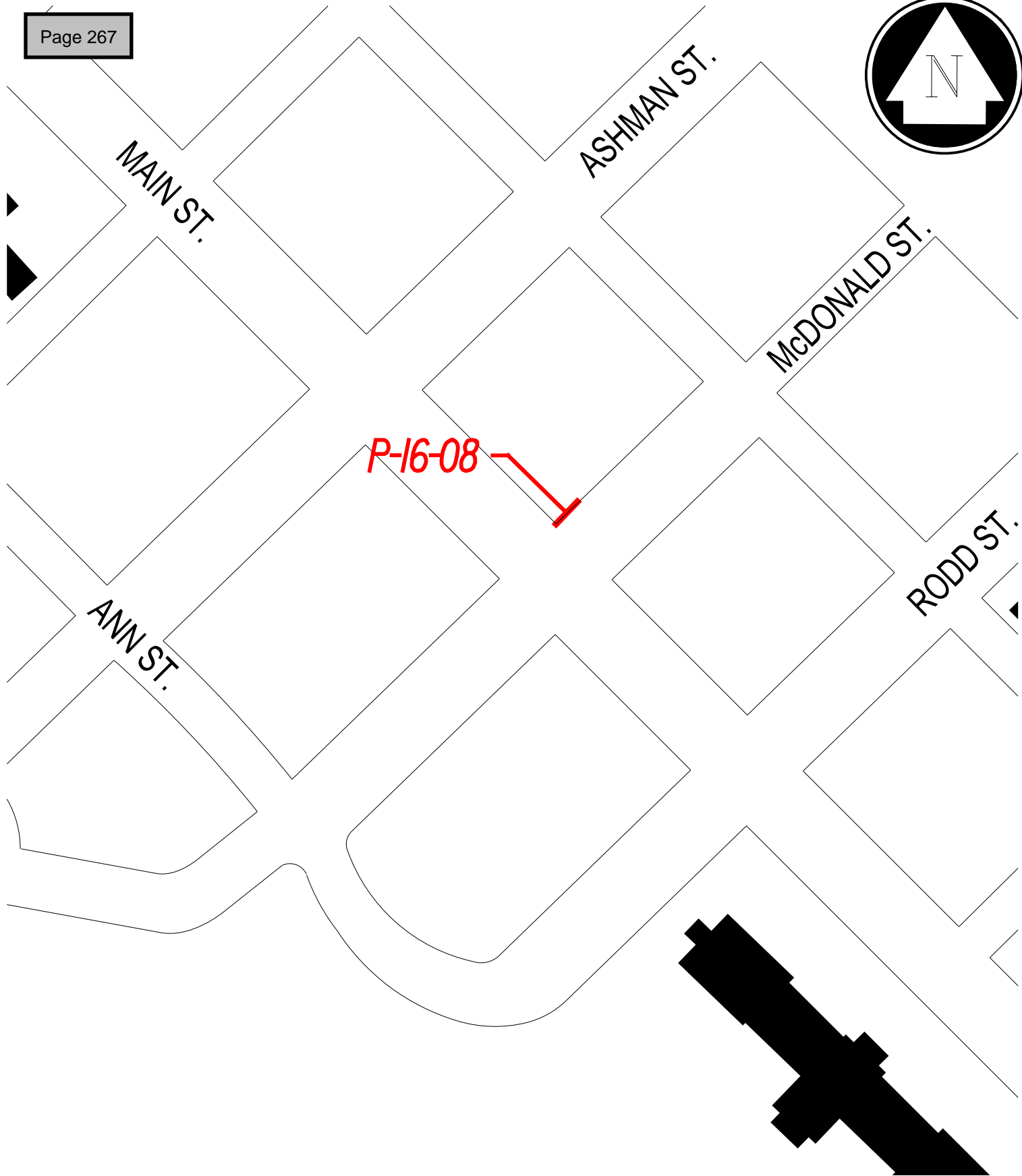
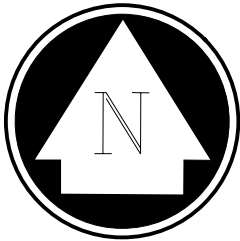
ANN ST.

RODD ST.

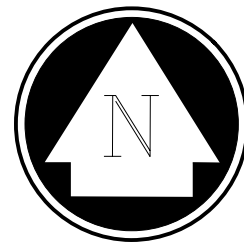
P-16-07



LOCATION MAP
FOR TRAFFIC CONTROL ORDER NO.
P-16-07



LOCATION MAP
FOR TRAFFIC CONTROL ORDER NO.
P-16-08



MAIN ST.

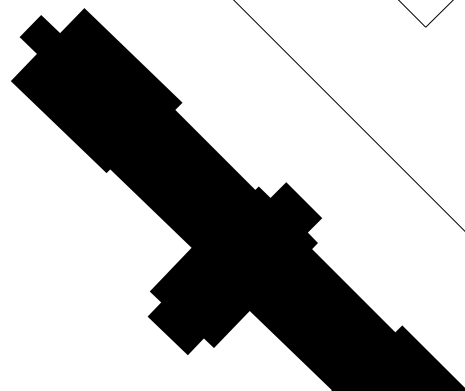
ASHMAN ST.

MCDONALD ST.

RODD ST.

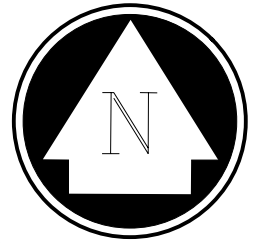
ANN ST.

P-16-09



LOCATION MAP

FOR TRAFFIC CONTROL ORDER NO.
P-16-09



MAIN ST.

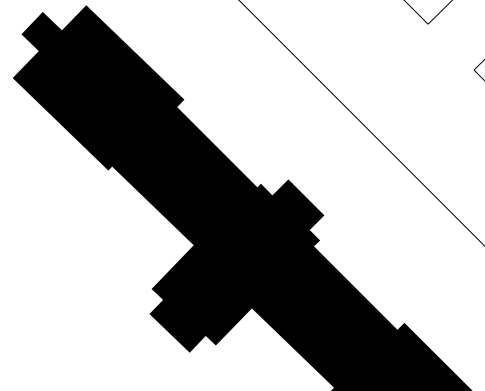
ASHMAN ST.

MCDONALD ST.

RODD ST.

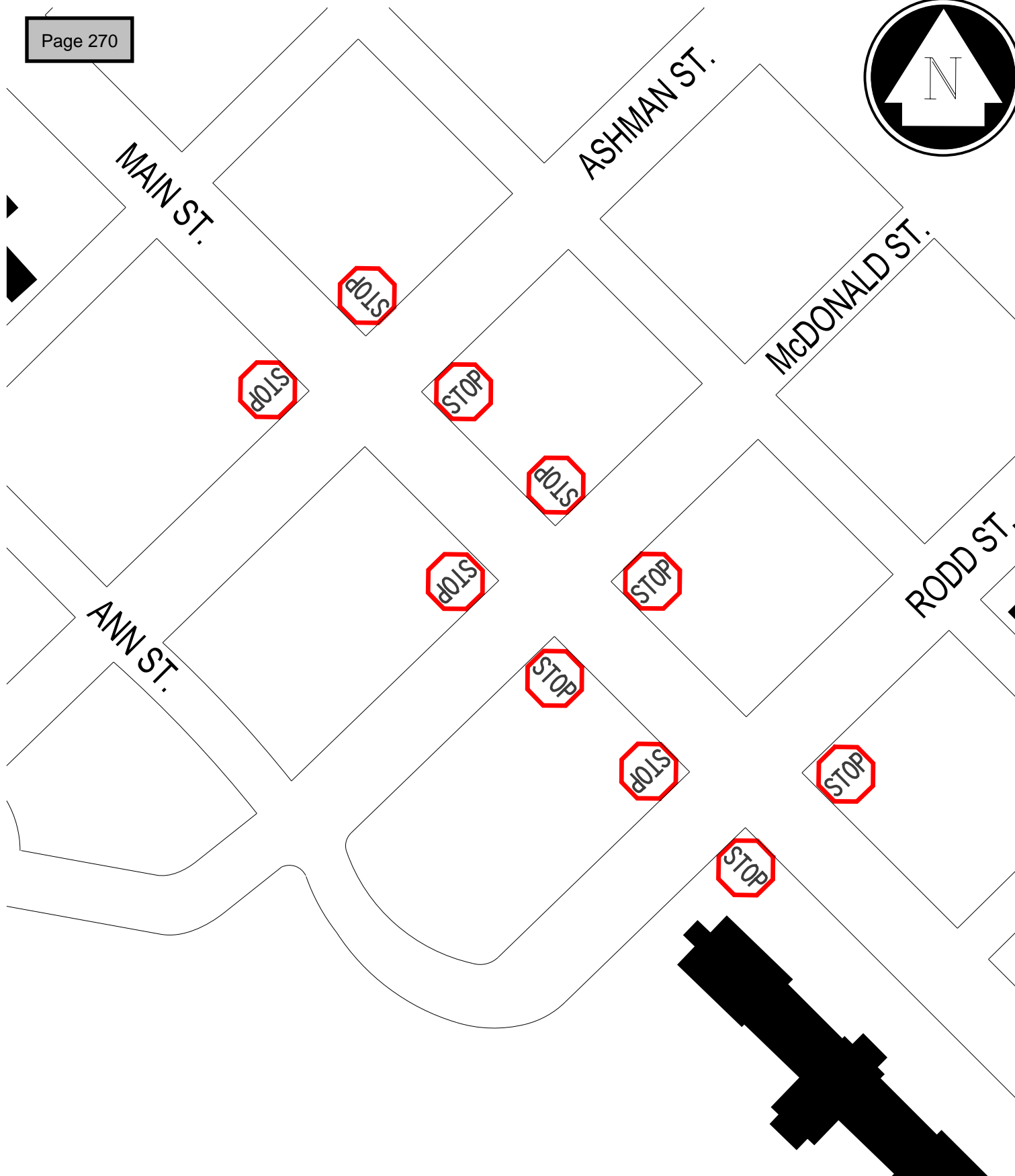
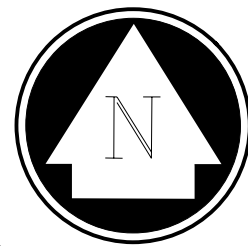
ANN ST.

P-16-10



LOCATION MAP

FOR TRAFFIC CONTROL ORDER NO.
P-16-10



LOCATION MAP
FOR TRAFFIC CONTROL ORDER NO.
S-16-01

Backup material for agenda item:

5. Receiving and filing the 2017-18 Construction Priorities Report. MCMANUS

SUMMARY REPORT TO THE CITY MANAGER

For City Council Meeting of January 23, 2017

SUBJECT: 2017/2018 ENGINEERING PROJECT PRIORITIES LISTING

INITIATED BY: City of Midland Engineering Department

RESOLUTION SUMMARY: This resolution will accept the 2017-2018 Construction Project Priorities List and order it placed on file in the City Clerk's Office and at the Grace A. Dow Memorial Library and a map of the projects be placed in the lobby of Midland City Hall.

ITEMS ATTACHED:

1. Cover Letter
2. Resolution
3. Agenda
4. Construction Project Priorities Listing
5. Location Maps

CITY COUNCIL ACTION: 3/5 vote required to approve resolution

SUBMITTED BY: Brian McManus, City Engineer



City Hall ♦ 333 West Ellsworth Street ♦ Midland, Michigan 48640-5132 ♦ 989.837.3300 ♦ 989.835.2717 Fax

DATE: January 18, 2017

TO: Jon Lynch, City Manager

FROM: Brian P. McManus, City Engineer

RE: 2017/2018 Engineering Project Priorities Listing

City staff has prepared the attached infrastructure capital maintenance program priority list for the 2017/2018 City budget. The list is organized by fund category including Major Street, Local Street, Sanitary Sewer, Miscellaneous General Fund, and Water. Individual maps indicating locations of proposed improvements are also included for your information and reference.

Projects included in the list are collected from three general sources:

- City Staff Initiated
- Public Petition Process
- Other Governmental Agencies

City Staff Initiated Projects

The Engineering Department annually reviews the street system with the Department of Public Services to decide which streets are needing constant attention and which pavements and curbs are in the worst condition. We also evaluate maintenance requests received from the public. Our pavement management software program is an important tool used to help determine street priorities, funding levels for different repair options based primarily on pavement condition, available funds, and benefit to the overall street network. A combination of the above processes has been utilized to choose the streets recommended in the attached annual project priority list.

The Utilities Department annually reviews maintenance records, expansion needs and history of water and sewer systems to determine their priority needs. Also, the Utility Department inspects the condition of the sewer systems of the proposed street projects to coordinate timely repairs to those systems in conjunction with the street reconstruction if needed.

Public Petition Process Projects

In accordance with past practice, we have solicited requests for capital improvement projects from residents and interested developers for consideration and possible funding within the upcoming fiscal year budget. The petitions and requests are normally accepted

by City Council in December and referred to the Engineering Department for review and recommendation. This year we did not receive any requests for capital improvement projects.

In years when we receive requests in October for capital improvement projects, all petition requests are reviewed, rated and estimated for construction cost by the Engineering Department. Following established criteria, our analysis finds that some of these projects are recommended for funding and some are not.

FUNDING and WORK STRATEGY

The Midland County electorate has recognized the need to maintain the street system by approving two separate road millages dedicated to road repairs. In 2016, the electorate graciously approved the long-standing millage, which has been in place for over 40 years. A second 1 mill millage was approved in 2014, which will provide at least four years of time with both 1 mill millages in effect. Funding from the second road millage is directed toward reconstruction and rehabilitation of roads.

The chart below indicates the road millage funding timing.

Tax Billing Year*	Fiscal Year	Due/Collected	Total Millage	Expiration Dates
2016	2016-17	Feb. 2017	2.0000	12/16 & 12/18
2017	2017-18	Feb. 2018	2.0000	12/18 & 12/20
2018	2018-19	Feb. 2019	2.0000	12/18 & 12/20
2019	2019-20	Feb. 2020	1.0000	12/20
2020	2020-21	Feb. 2021	1.0000	12/20

*Winter tax bill mailed in December of each year.

To give an indication of projects provided by the second road millage the chart below is included. Projects included are both from the current fiscal year and proposed in the upcoming fiscal year.

Project
Airport Rd: Dublin to Perrine
Eastlawn Dr: Washington to Swede
Eastman Ave: Airport to North
Washington St: Wheeler to Adams
Bayliss St: Jefferson to Dartmouth
Chapel Ln: Jefferson to Nakoma

Highbrook Dr: Westbrier to Hanover
Kentwood Dr: Ashman to Corrinne
Westbrier Ter: Lambros to Highbrook
Sayre St: Eastman to Jerome
St. Nicholas St: Main to Buttles

Based upon current budget estimates, analysis of the June 30, 2016 fund balances and review of the County Road millage cash flow model, the following amounts have been estimated to be available for construction projects and matching funds for MDOT projects in 2017-2018:

Major Street Fund

County Road Millage Revenue	\$ 2,627,000
Gas and Weight Tax	350,000
Proceeds from Fund Balance	<u>145,000</u>
	<u>\$ 3,122,000</u>

Local Street Fund

County Road Millage Revenue	\$ 1,373,000
Proceeds to Fund Balance	<u>172,000</u>
	<u>\$ 1,545,000</u>

Wastewater Fund – No Projects

Water Fund

Working Capital	\$ 2,058,180
Operating Revenues	<u>0</u>
	<u>\$ 2,058,180</u>

At this early date, it is difficult to estimate the amount of funding which will be available in the General Fund and Stormwater Funds. This report anticipates \$326,000 from these two funds.

While these funding levels have been conservatively estimated, we must remember it is early in the budget process and the estimates may need to be revised at a later date. The total of the projects recommended are within the funding levels for the various funds indicated above.

UPCOMING PROJECTS

Main Street Streetscape

The Downtown Development Authority (DDA) proposed a redevelopment of the downtown Main Street Streetscape. A concept phase has been completed and engineering design of a new streetscape is currently underway. The project scope is to reconstruct Main Street from Jerome (M-20) to Cronkright Street and will include new sidewalk, curb and gutter and paved surface. The design phase is funded through the DDA, and the City will fund the construction management of the project. We have allowed for funding of the construction management portion of this project. Funding graciously donated by the local foundations will fund the construction. It is anticipated that construction will begin on the redevelopment of the streetscape in June of 2017.

Other Agency Projects

Often we receive requests to share in projects with other agencies such as the Michigan Department of Transportation (MDOT), Midland County Agencies, Entranceways Initiative Task Force, and other state agencies. Public Act 51, the process that distributes gas and weight tax revenue to the City, requires that we participate in state highway projects that take place in our city. Our share is generally 2.2% of the project cost when federal funding is involved.

This year we have included funding related to two MDOT projects. MDOT will be replacing the M-20 Bridge over the Tittabawassee River in 2018. The City is responsible for cost sharing on the bridge. This is the third year, setting aside \$166,000 of street funds to provide the projected City match of \$500,000. Also, bridge illumination is the City's responsibility so we are budgeting \$50,000 a year for three years to meet the expected total of \$150,000.

Eastman Avenue

Included on the Project Priorities list is the Eastman Avenue rehabilitation project from Airport Road to north of Joe Mann Boulevard. This is a project discussed during the City Council goal setting session on January 16, 2016 and at the January 2016 City Council meeting when engineering project priorities were discussed. The project included for Eastman will add a right turn lane for southbound traffic at Airport Road as well as resurface the roadway. To coordinate with proposed MDOT work in the area this Eastman work is scheduled for construction in 2018.

Joe Mann Blvd.

In 2016 the Michigan Legislature approved an increase to the Act 51 funding received by local road jurisdictions. The funding increase is in part through increase to the vehicle registration fees and increase to the gas and weight tax. We anticipate to begin receiving the newly allocated Act 51 funding this current year. We are pursuing this additional funding for capacity increase project at the intersection of Joe Mann Blvd. at Jefferson Avenue. The proposed capacity project will add a second left turn from Jefferson Avenue onto Joe Mann Blvd., a right turn lane from Jefferson Avenue onto Joseph Drive and a second westbound lane on Joe Mann Blvd. from Jefferson Avenue to west of Cinema Drive.

In general, our street system repair and maintenance strategy falls into three levels of repairs. Reconstruction fixes are the most expensive and last 20-25 years. This type of fix repairs the driving surface and the base below the driving surface. Rehabilitation fixes simply repair or replace the driving surface. They are less costly than Reconstruction and last 15 years. Finally, Surface Treatments are materials applied to the top of existing pavements. Surface treatments are the least expensive and last 7-10 years. Using a mix of these different fixes applied to pavements in various conditions is cost effective. Because funding is not unlimited, there will always be pavements in our system at different condition levels between good and poor.

Our plan proposes to keep a standard level of surface treatment in the program. Monies received from the new road millage are directed towards the higher level reconstruction and rehabilitation work.

This project list is for City Council consideration and to provide a look at proposed projects to be included in the upcoming budget. The resolution attached hereto will indicate Council general approval of the list.



City Hall ♦ 333 West Ellsworth Street ♦ Midland, Michigan 48640-5132 ♦ 989.837.3300 ♦ 989.835.2717 Fax

BY COUNCILMAN

WHEREAS, a report has been received from the City Engineer listing the proposed construction projects for 2017-2018 which includes projects petitioned by property owners, projects recommended by the City Administration and others; and

WHEREAS, City Council has reviewed the proposed construction projects list; now therefore

RESOLVED, that City Council hereby approves said proposed construction project listing for 2017-2018 and directs the City Administration to include funding requests for the proposed projects in the 2017-2018 budget; and

RESOLVED FURTHER, that any current fiscal year project listed that requires additional funding will receive those supplemental funds during the annual budget amendment process this upcoming spring; and

RESOLVED FURTHER, that the report is hereby directed to be placed on file in the City Clerk's Office and at the Grace A. Dow Memorial Library and a map of the projects be placed in the lobby of Midland City Hall.

YEAS:

NAYS:

ABSENT:

I, Selina Tisdale, City Clerk, City of Midland, Counties of Bay and Midland, State of Michigan, do hereby certify that the foregoing is a true and correct copy of a resolution adopted by a yea vote of all the Councilmen present at a regular meeting of the City Council held Monday, January 23, 2017.

Selina Tisdale, City Clerk

2017 CONSTRUCTION PROJECT PRIORITIES PRESENTATION

AGENDA

1. INTRODUCTION
2. PROJECT PRIORITY PROCESS
3. FUNDING and WORK STRATEGY
4. PETITIONED PROJECT
5. MAJOR STREET FUND PROJECTS
6. LOCAL STREET FUND PROJECTS
7. SANITARY SEWER PROJECTS
8. GENERAL FUND PROJECTS
9. WATER FUND PROJECTS

EXISTING BUDGETED PROJECTS (FY 16/17) - NOT YET CONSTRUCTED

MAJOR STREET FUND	TOTAL	CITY	PROPOSED	PRIOR	OTHER	ESTIMATED	MAP	UTILITY	
	COST	COST	ADDITIONAL	YEARS	FUNDING	COMPLETION	INCLUDED	INCLUDED	REMARKS
PROJECT NAME			FUNDING	FUNDING		DATE			
E PATRICK RD: SAGINAW TO WALDO	\$730,000	\$730,000	\$0	\$730,000	\$0	AUG '17	✓		
EASTMAN AVE: AIRPORT TO NORTH	\$1,000,000	\$1,000,000	\$150,000	\$850,000	\$0	OCT '18	✓		PORTION OF WORK TO BE MDOT
E ST. ANDREWS RD: WASHINGTON TO SUGNET (MPO)	\$455,000	\$155,000	\$0	\$155,000	\$300,000	NOV '17	✓		MPO
W WACKERLY ST: SCHADE TO STURGEON (MPO)	\$708,000	\$230,000	\$0	\$230,000	\$478,000	NOV '17	✓		MPO
WALDO AVE: E ASHMAN TO WHITEWOOD	\$320,000	\$320,000	\$0	\$320,000	\$0	NOV '17	✓	WATER	
TOTAL	\$3,213,000	\$2,435,000	\$150,000	\$2,285,000	\$778,000				

PROPOSED PROJECTS (FY 17/18) - NOT YET BUDGETED

MAJOR STREET FUND	TOTAL	CITY	PROPOSED	PRIOR	OTHER	ESTIMATED	MAP	UTILITY	
	COST	COST	FUNDING	YEARS	FUNDING	COMPLETION	INCLUDED	INCLUDED	REMARKS
PROJECT NAME				FUNDING		DATE			
AIRPORT RD: DUBLIN TO PERRINE	\$340,000	\$340,000	\$340,000	\$0	\$0	NOV '17	✓		RECLASSIFIED AS MAJOR STREET
CARPENTER ST: ASHMAN TO LYON	\$587,000	\$587,000	\$587,000	\$0	\$0	AUG '18	✓	WATER	
DIAMOND DR: SOCCER TO WALDO	\$460,000	\$460,000	\$460,000	\$0	\$0	NOV '17	✓		CLASSIFIED AS MAJOR STREET
EASTLAWN DR: WASHINGTON TO SWEDE	\$330,000	\$330,000	\$330,000	\$0	\$0	AUG '18	✓	WATER	
E NELSON ST: ASHMAN TO JEFFERSON	\$394,000	\$394,000	\$394,000	\$0	\$0	NOV '17	✓	WATER	
MAIN STREET STREETScape (ENGINEERING)	\$250,000	\$250,000	\$100,000	\$150,000	\$0	NOV '18			PRIOR YEAR FUNDING IN MISC. GEN. FUND
MAIN STREET STREETScape (CONSTRUCTION)	\$6,500,000	\$0	\$0	\$0	\$6,500,000	NOV '18	✓		
WASHINGTON ST: WHEELER TO ADAMS	\$275,000	\$275,000	\$275,000	\$0	\$0	NOV '17	✓		
M-20 BRIDGE (CITY SHARE)	\$500,000	\$500,000	\$166,000	\$334,000	\$0				\$500k - FY 15/16; 16/17; 17/18
SURFACE TREATMENT & CRACK SEALING, SIDEWALK RAMPS	\$150,000	\$150,000	\$150,000	\$0	\$0	NOV '18			
NON-MOTORIZED IMPROVEMENTS	\$10,000	\$10,000	\$10,000	\$0	\$0				
DITCH CLEANING	\$50,000	\$50,000	\$50,000	\$0	\$0				
PRELIMINARY ENGINEERING	\$20,000	\$20,000	\$20,000	\$0	\$0				
TRAFFIC SIGN UPGRADE	\$55,000	\$55,000	\$55,000	\$0	\$0				
TRAFFIC SIGNAL UPGRADE	\$35,000	\$35,000	\$35,000	\$0	\$0				
TOTAL	\$9,956,000	\$3,456,000	\$2,972,000	\$484,000	\$6,500,000				
TOTAL 2017/2018 FUNDED	\$9,956,000	\$3,456,000	\$3,122,000	\$2,769,000	\$7,278,000				

PROPOSED PROJECTS (FY 18/19) - NOT YET BUDGETED**MAJOR STREET FUND**

PROJECT NAME	
HALEY ST: INDIAN TO JEFFERSON	\$530,000
JOE MANN BLVD: JEFFERSON TO CINEMA	\$1,000,000
ORCHARD DR: SUGNET TO MAIN	\$391,000
PERSHING, BARTH, BAYLISS TO PATRICK	\$330,000
S SAGINAW RD: DARTMOUTH TO PATRICK (MPO \$578K)	\$250,000
W WHEELER ST: SAGINAW TO JEFFERSON	\$420,000
SURFACE TREATMENT & CRACK SEALING, SIDEWALK RAMPS	\$150,000
NON-MOTORIZED IMPROVEMENTS	\$10,000
DITCH CLEANING	\$50,000
PRELIMINARY ENGINEERING	\$25,000
TRAFFIC SIGN UPGRADE	\$35,000
TRAFFIC SIGNAL UPGRADE	\$35,000
TOTAL	\$3,226,000

PROPOSED PROJECTS (FY 19/20) - NOT YET BUDGETED**MAJOR STREET FUND**

PROJECT NAME	
AIRPORT ROAD: STURGEON TO EASTMAN	\$427,000
GEORGE STREET: INDIAN TO STATE	\$431,000
N. SAGINAW ROAD: DUBLIN TO PERRINE	\$500,000
E. SUGNET ROAD: JEFFERSON TO WASHINGTON	\$450,000
W. WACKERLY STREET: STARK TO DUBLIN	\$340,000
E. WHEELER STREET: FOSTER TO WALDO	\$330,000
DITCH CLEANING	\$50,000
NON-MOTORIZED IMPROVEMENTS	\$10,000
PRELIMINARY ENGINEERING	\$25,000
SURFACE TREATMENT & CRACK SEALING, SIDEWALK RAMPS	\$150,000
TRAFFIC SIGN UPGRADE	\$35,000
TRAFFIC SIGNAL UPGRADE	\$40,000
TOTAL	\$2,788,000

RECLASSIFIED AS MAJOR STREET

EXISTING BUDGETED PROJECTS (FY 16/17) - NOT YET CONSTRUCTED

LOCAL STREET FUND	TOTAL	CITY	PROPOSED	PRIOR	OTHER	ESTIMATED	MAP	UTILITY	
	COST	COST	ADDITIONAL	YEARS	FUNDING	COMPLETION	INCLUDED	INCLUDED	REMARKS
PROJECT NAME			FUNDING	FUNDING		DATE			
BAYLISS ST: JEFFERSON TO DARTMOUTH	\$260,000	\$260,000	\$0	\$260,000	\$0	SEP '17	✓	WATER	
BOSTON ST: ST. ANDREWS TO SUGNET	\$167,000	\$167,000	\$0	\$167,000	\$0	SEP '17	✓	WATER	
HIGHBROOK DR: WESTBRIER TO HANOVER	\$100,000	\$100,000	\$0	\$100,000	\$0	SEP '17	✓	WATER	
KENTWOOD DR: ASHMAN TO CORRINNE	\$177,000	\$177,000	\$0	\$177,000	\$0	SEP '17	✓	WATER	
E MEADOWBROOK DR: JEFFERSON TO WASHINGTON	\$375,000	\$375,000	\$0	\$375,000	\$0	OCT '17	✓	WATER	
WESTBRIER TER: LAMBROS TO Highbrook	\$185,000	\$185,000	\$0	\$185,000	\$0	SEP '17	✓	WATER	
SURFACE TREATMENT & CRACK SEALING, SIDEWALK RAMPS	\$300,000	\$300,000	\$0	\$300,000	\$0	AUG '17			
CURB REPLACEMENT & PAVEMENT PATCHING	\$150,000	\$150,000	\$0	\$150,000	\$0	SEP '17			
SUBTOTAL	\$1,714,000	\$1,714,000	\$0	\$1,714,000	\$0				

PROPOSED PROJECTS (FY 17/18) - NOT YET BUDGETED

LOCAL STREET FUND	TOTAL	CITY	PROPOSED	PRIOR	OTHER	ESTIMATED	MAP	UTILITY	
	COST	COST	FUNDING	YEARS	FUNDING	COMPLETION	INCLUDED	INCLUDED	REMARKS
PROJECT NAME				FUNDING		DATE			
CHAPEL LN: JEFFERSON TO NAKOMA	\$335,000	\$335,000	\$335,000	\$0	\$0	AUG '18	✓	WATER	
W COLLINS ST: ADELAIDE TO ASHMAN ST	\$150,000	\$150,000	\$150,000	\$0	\$0	NOV '18			
JAY ST: PATRICK TO HANCOCK	\$280,000	\$280,000	\$280,000	\$0	\$0	NOV '17	✓	WATER	
SAYRE ST: EASTMAN TO JEROME	\$150,000	\$150,000	\$150,000	\$0	\$0	NOV '18	✓	WATER	
ST. NICHOLAS ST: MAIN TO BUTTLES	\$180,000	\$180,000	\$180,000	\$0	\$0	NOV '18	✓	WATER	WATER FROM MAIN TO LARKIN
SURFACE TREATMENT & CRACK SEALING, SIDEWALK RAMPS	\$250,000	\$250,000	\$250,000	\$0	\$0	NOV '18			
CURB REPLACEMENT & PAVEMENT PATCHING	\$200,000	\$200,000	\$200,000	\$0	\$0	SEP '18			
TOTAL	\$1,545,000	\$1,545,000	\$1,545,000	\$0	\$0				
TOTAL 2017/2018 FUNDED	\$1,545,000	\$1,545,000	\$1,545,000	\$1,714,000	\$0				

SPECIAL ASSESSMENT PROJECTS (2017/2018 F.Y.)

NONE	\$0	\$0	\$0	\$0	\$0
SUBTOTAL	\$0	\$0	\$0	\$0	\$0

PROPOSED PROJECTS (FY 18/19) - NOT YET BUDGETED**LOCAL STREET FUND**

PROJECT NAME	
AIRFIELD LN: WASHINGTON TO SWEDE	\$284,000
BUCHANAN DR: CAPITAL TO COOLIDGE	\$438,000
GIBSON ST: STURGEON TO DRAKE	\$201,000
MANOR DR: HELEN TO SAGINAW	\$294,000
RICHARD CT: MANOR TO END	\$61,000
TOWNSEND ST: PINE ST TO CARPENTER ST	\$165,000
SURFACE TREATMENT & CRACK SEALING, SIDEWALK RAMPS	\$300,000
CURB REPLACEMENT & PAVEMENT PATCHING	\$200,000
TOTAL	\$1,943,000

PROPOSED PROJECTS (FY 19/20) - NOT YET BUDGETED**LOCAL STREET FUND**

PROJECT NAME	
ADAMS STREET: WASHINGTON TO END OF COURT	\$175,000
BAUSS COURT: SHARON TO END OF COURT	\$90,000
BYRD STREET: ASHMAN TO WYLLYS	\$80,000
FEDERAL STREET: CAMBRIDGE TO BOSTON	\$100,000
MARK PUTNAM DRIVE: SAGINAW TO SCHUETTE	\$235,000
W. NICKELS STREET: MANOR TO ASHMAN	\$102,000
SCHUETTE DRIVE: MARK PUTNAM TO WALDO	\$275,000
WHITEWOOD DRIVE: WALDO TO CONGRESS	\$365,000
WOODVIEW PASS: ADAMS TO SCENIC	\$210,000
CURB REPLACEMENT & PAVEMENT PATCHING	\$200,000
SURFACE TREATMENT & CRACK SEALING, SIDEWALK RAMPS	\$300,000
TOTAL	\$2,132,000

EXISTING BUDGETED PROJECTS (FY 16/17) - NOT YET CONSTRUCTED

SANITARY SEWER PROJECTS	TOTAL	CITY	PROPOSED	PRIOR	OTHER	ESTIMATED	MAP	UTILITY	
	COST	COST	ADDITIONAL	YEARS	FUNDING	COMPLETION	INCLUDED	INCLUDED	REMARKS
PROJECT NAME			FUNDING	FUNDING	FUNDING	DATE			
NONE									

PROPOSED PROJECTS (FY 17/18) - NOT YET BUDGETED

SANITARY SEWER PROJECTS	TOTAL	CITY	PROPOSED	PRIOR	OTHER	ESTIMATED	MAP	UTILITY	
	COST	COST	FUNDING	YEARS	FUNDING	COMPLETION	INCLUDED	INCLUDED	REMARKS
PROJECT NAME				FUNDING	FUNDING	DATE			
SANITARY SEWER RELOCATION UNDER M-20 BRIDGE	\$150,000	\$0	\$0	\$0	\$150,000				MDOT FUNDING RELOCATION FOR BRIDGE REPLACE.
* SANITARY SEWER FORCEMAIN - MONROE TO ELISENAL	\$520,000	\$0	\$0	\$0	\$0	FUTURE			PETITIONED PROJECT
TOTAL 2017/2018 FUNDED	\$670,000	\$0	\$0	\$0	\$150,000				

PROPOSED PROJECTS (FY 18/19) - NOT YET BUDGETED

SANITARY SEWER PROJECTS
NONE

PROPOSED PROJECTS (FY 19/20) - NOT YET BUDGETED

SANITARY SEWER PROJECTS
NONE

* - PETITIONED PROJECT

EXISTING BUDGETED PROJECTS (FY 16/17) - NOT YET CONSTRUCTED

MISCELLANEOUS GENERAL FUND PROJECTS	TOTAL	CITY	PROPOSED	PRIOR	OTHER	ESTIMATED	MAP	UTILITY	
	COST	COST	ADDITIONAL	YEARS	FUNDING	COMPLETION	INCLUDED	INCLUDED	REMARKS
PROJECT NAME			FUNDING	FUNDING		DATE			
CEMETERY STREETS	\$25,000	\$25,000	\$0	\$25,000	\$0	JUL '17			SURFACE TREATMENT FOR DPS
STREET LIGHT UPGRADES	\$6,000	\$6,000	\$0	\$6,000	\$0	JUL '17			
DOWNTOWN STREETScape AND PAVER REPAIRS	\$150,000	\$150,000	\$0	\$150,000	\$0	NOV '18			DDA STREETScape; PAVER REPAIR
TOTAL	\$181,000	\$181,000	\$0	\$181,000	\$0				

PROPOSED PROJECTS (FY 17/18) - NOT YET BUDGETED

MISCELLANEOUS GENERAL FUND PROJECTS	TOTAL	CITY	PROPOSED	PRIOR	OTHER	ESTIMATED	MAP	UTILITY	
	COST	COST	FUNDING	YEARS	FUNDING	COMPLETION	INCLUDED	INCLUDED	REMARKS
PROJECT NAME						DATE			
CEMETERY STREETS	\$15,000	\$15,000	\$15,000	\$0	\$0	JUL '18			SURFACE TREATMENT FOR DPS
SIDEWALK IMPROVEMENT PROGRAM	\$80,000	\$40,000	\$40,000	\$0	\$40,000				SPECIAL ASSESSMENT
SIDEWALK IMPROVEMENT PROGRAM - F.Y. ENGINEERING	\$10,000	\$10,000	\$10,000	\$0	\$0				
STREET LIGHT UPGRADES	\$6,000	\$6,000	\$6,000	\$0	\$0				
M-20 BRIDGE ILLUMINATION	\$150,000	\$150,000	\$50,000	\$100,000	\$0	NOV '19	✓		M-20 BRIDGE; \$150K FY 15/16; 16/17; 17/18
CATCH BASIN LEAD; NEW INSTALLATIONS	\$25,000	\$25,000	\$25,000	\$0	\$0				
CATCH BASIN LEAD; REPLACEMENTS	\$10,000	\$10,000	\$10,000	\$0	\$0				
CULVERT REPLACEMENT (1 LOCATION)	\$150,000	\$150,000	\$150,000	\$0	\$0				PERRINE RD. & AIRPORT RD.
WAY-FINDING SIGN MAINTENANCE	\$20,000	\$20,000	\$20,000	\$0	\$0				
TOTAL	\$466,000	\$426,000	\$326,000	\$100,000	\$40,000				
TOTAL 2017/2018 FUNDED	\$466,000	\$426,000	\$326,000	\$281,000	\$40,000				

SPECIAL ASSESSMENT PROJECTS (2017/2018 F.Y.)

NONE	\$0	\$0	\$0	\$0	\$0
SUBTOTAL	\$0	\$0	\$0	\$0	\$0

PROPOSED PROJECTS (FY 18/19) - NOT YET BUDGETED**MISCELLANEOUS GENERAL FUND PROJECTS**

PROJECT NAME	
CEMETERY STREETS	\$5,000
SIDEWALK IMPROVEMENT PROGRAM	\$80,000
SIDEWALK IMPROVEMENT PROGRAM - F.Y. ENGINEERING	\$10,000
STREET LIGHT UPGRADES	\$6,000
CATCH BASIN LEAD; NEW INSTALLATIONS	\$35,000
CATCH BASIN LEAD; REPLACEMENTS	\$10,000
CULVERT REPLACEMENT (1 LOCATION)	\$150,000
WAY-FINDING SIGN MAINTENANCE	\$20,000
TOTAL	\$316,000

PROPOSED PROJECTS (FY 19/20) - NOT YET BUDGETED**MISCELLANEOUS GENERAL FUND PROJECTS**

PROJECT NAME	
SIDEWALK IMPROVEMENT PROGRAM	\$80,000
SIDEWALK IMPROVEMENT PROGRAM - F.Y. ENGINEERING	\$10,000
STREET LIGHT UPGRADES	\$6,000
WAY-FINDING SIGN MAINTENANCE	\$20,000
CATCH BASIN LEAD; NEW INSTALLATIONS	\$35,000
CATCH BASIN LEAD; REPLACEMENTS	\$10,000
CULVERT REPLACEMENT (1 LOCATION)	\$150,000
TOTAL	\$311,000

EXISTING BUDGETED PROJECTS (FY 16/17) - NOT YET CONSTRUCTED

WATER PROJECTS	TOTAL	CITY	PROPOSED	PRIOR	OTHER	ESTIMATED	MAP	UTILITY	
	COST	COST	ADDITIONAL	YEARS	FUNDING	COMPLETION	INCLUDED	INCLUDED	REMARKS
PROJECT NAME			FUNDING	FUNDING		DATE			
BAYLISS ST: JEFFERSON TO DARTMOUTH	\$141,000	\$141,000	\$0	\$141,000	\$0	SEP '17	✓	STREET	WATER TO RODD
BOSTON ST: ST. ANDREWS TO CAMBRIDGE	\$30,000	\$30,000	\$0	\$30,000	\$0	SEP '17	✓	STREET	CROSSINGS (2)
HIGHBROOK DR: WESTBRIER TO HANOVER	\$150,000	\$150,000	\$150,000	\$0	\$0	SEP '17	✓	STREET	
KENTWOOD DR: ASHMAN TO CORRINNE	\$132,000	\$132,000	\$0	\$132,000	\$0	SEP '17	✓	STREET	REPLC W/8"
E MEADOWBROOK DR: JEFFERSON TO WASHINGTON	\$335,000	\$335,000	\$0	\$335,000	\$0	OCT '17	✓	STREET	REPLC W/ NEW 8" & 10" (WATER TO CONCORD)
W WACKERLY ST: STURGEON CRK TO STURGEON	\$130,000	\$130,000	\$0	\$130,000	\$0	NOV '17	✓		
WALDO AVE: E ASHMAN TO E WHEELER	\$1,176,000	\$1,176,000	\$0	\$1,176,000	\$0	NOV '17	✓	STREET	NEW 24" & REPLC W/ NEW 8" & 10"
WESTBRIER TER: LAMBROS TO Highbrook	\$195,000	\$195,000	\$0	\$195,000	\$0	SEP '17	✓	STREET	REPLC W/8"
TOTAL	\$2,289,000	\$2,289,000	\$150,000	\$2,139,000	\$0				

PROPOSED PROJECTS (FY 17/18) - NOT YET BUDGETED

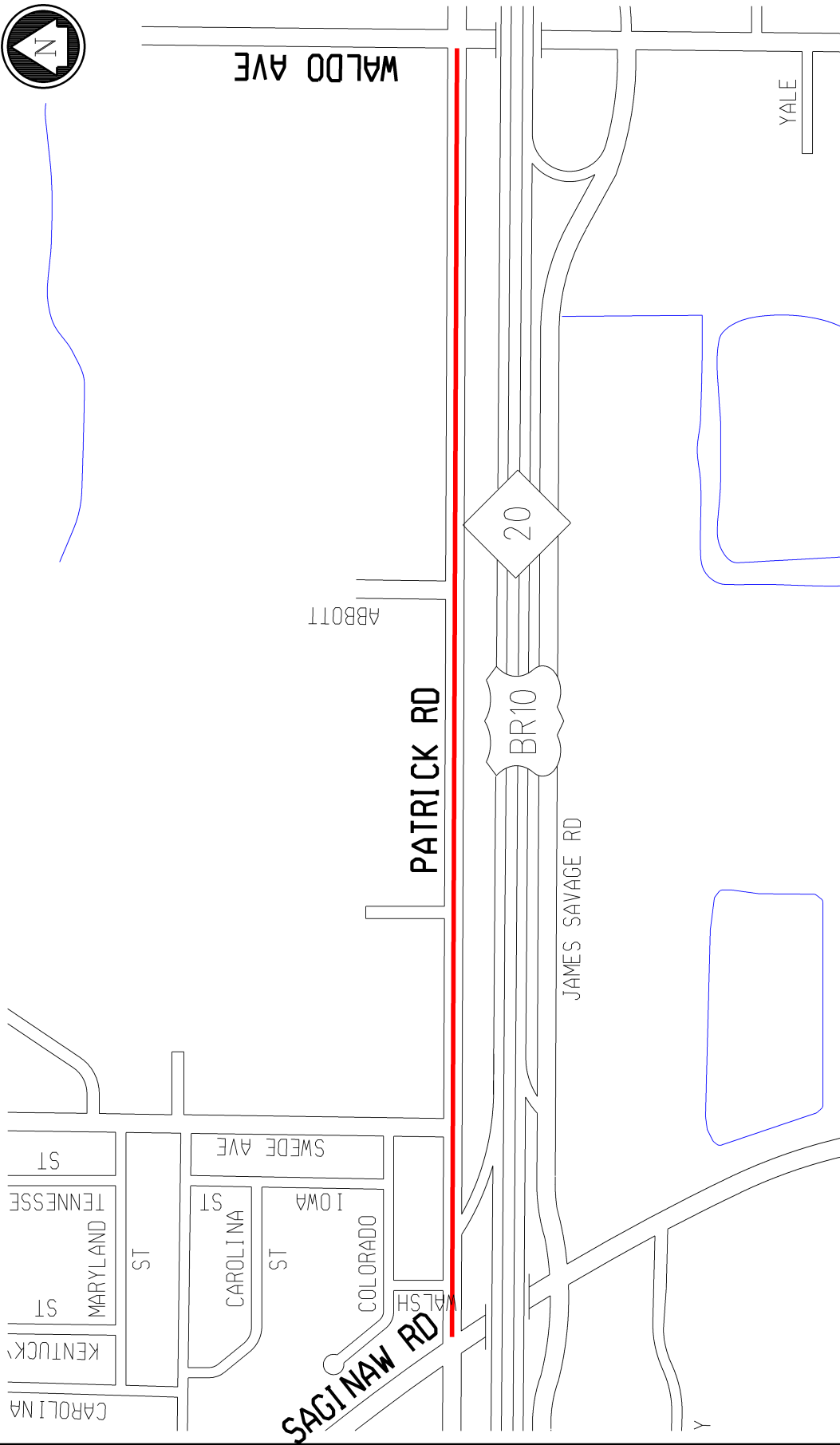
WATER PROJECTS	TOTAL	CITY	PROPOSED	PRIOR	OTHER	ESTIMATED	MAP	UTILITY	
	COST	COST	FUNDING	YEARS	FUNDING	COMPLETION	INCLUDED	INCLUDED	REMARKS
PROJECT NAME				FUNDING		DATE			
CARPENTER ST: ASHMAN TO LYON	\$600,000	\$600,000	\$600,000	\$0	\$0	AUG '18	✓	STREET	RPLC W/16"
CHAPEL LN: JEFFERSON TO NAKOMA	\$350,000	\$350,000	\$350,000	\$0	\$0	AUG '18	✓	STREET	RPLC W/10" (WATER TO NAKOMA)
EASTLAWN DR: WASHINGTON TO SWEDE	\$40,000	\$40,000	\$40,000	\$0	\$0	AUG '18	✓	STREET	CROSSING
E NELSON ST: ASHMAN TO JEFFERSON	\$252,300	\$252,300	\$252,300	\$0	\$0	NOV '17	✓	STREET	RPLC W/8" AND 12"
JAY STREET: PATRICK TO HANCOCK	\$150,000	\$150,000	\$150,000	\$0	\$0	NOV '17	✓	STREET	
RIVER CROSSING: RODD ST. TO CRISSY ST.	\$250,000	\$250,000	\$250,000	\$0	\$0	NOV '17	✓		
SAYRE ST: EASTMAN TO JEROME	\$90,880	\$90,880	\$90,880	\$0	\$0	NOV '18	✓	STREET	RPLC W/8"
ST. NICHOLAS ST: MAIN TO LARKIN	\$175,000	\$175,000	\$175,000	\$0	\$0	NOV '18	✓	STREET	
TOTAL	\$1,908,180	\$1,908,180	\$1,908,180	\$0	\$0				
TOTAL 2017/2018 FUNDED	\$1,908,180	\$1,908,180	\$2,058,180	\$2,139,000	\$0				

PROPOSED PROJECTS (FY 18/19) - NOT YET BUDGETED**WATER PROJECTS**

PROJECT NAME		
AUSTIN STREET: PLUMER TO SAGINAW	\$100,000	PART FUNDING- REMAINING IN FY 2019/20
AIRFIELD LN: WASHINGTON TO SWEDE	\$130,050	WATER TO GLENDALE
N SAGINAW RD: NORTHWOOD TO MSC	\$120,000	RPL 12"
BUCHANAN DR: CAPITAL TO COOLIDGE	\$339,200	RPLC W/8"
E WACKERLY ST: JEFFERSON TO SWEDE	\$375,000	CROSSING US10 AT ELLIOTT
W WHEELER ST: SAGINAW TO JEFFERSON	\$10,000	CROSSING AT TUCKER
HALEY ST: INDIAN TO JEFFERSON	\$190,000	RPLC W/8"
MANOR: HELEN TO SAGINAW	\$350,000	RPLC W/8"
PERSHING, BARTH, BAYLISS TO PATRICK	\$81,000	WATER ON BARTH FROM PERSHING TO BAYLISS
RICHARD CT: MANOR TO END	\$75,200	RPLC W/8"
TOTAL	\$1,770,450	

PROPOSED PROJECTS (FY 19/20) - NOT YET BUDGETED**WATER PROJECTS**

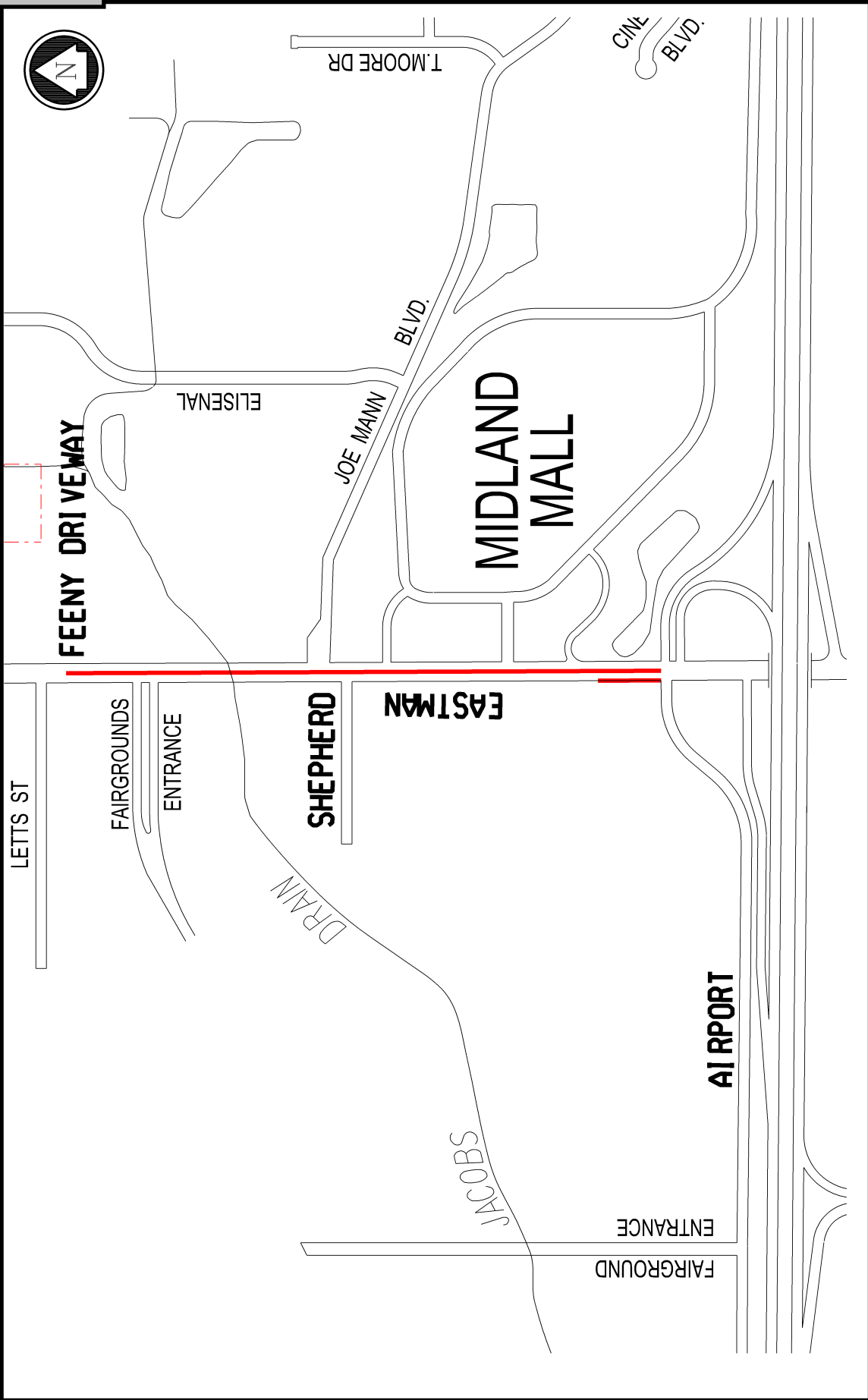
PROJECT NAME		
AUSTIN STREET: PLUMER TO SAGINAW	\$100,000	PART FUNDING - REMAINING IN FY 2018/19
GREENBELT: BAYLISS TO INDIAN	\$250,000	
FEDERAL STREET: CAMBRIDGE TO BOSTON	\$105,850	
E. WACKERLY STREET: JEFFERSON TO SWEDE	\$375,000	
E. WHEELER STREET: SWEDE TO WALDO	\$850,000	NEW NEPD 24" WM
TOTAL	\$1,680,850	



PATRICK ROAD RECONSTRUCTION

SAGINAW TO WALDO

(COST: \$730,000)



EASTMAN AVENUE RESURFACING

AIRPORT TO NORTH

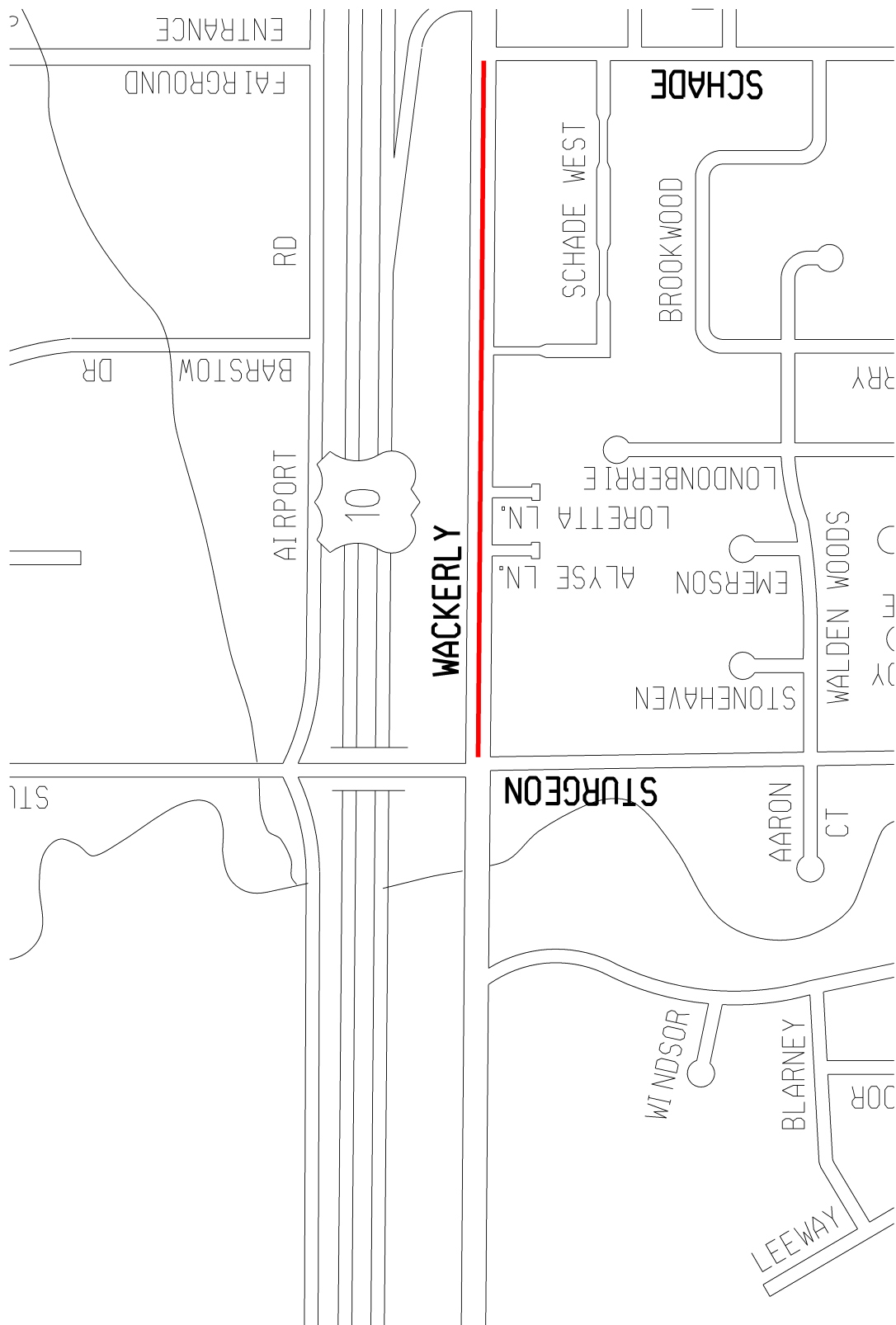
(COST: \$1,000,000)



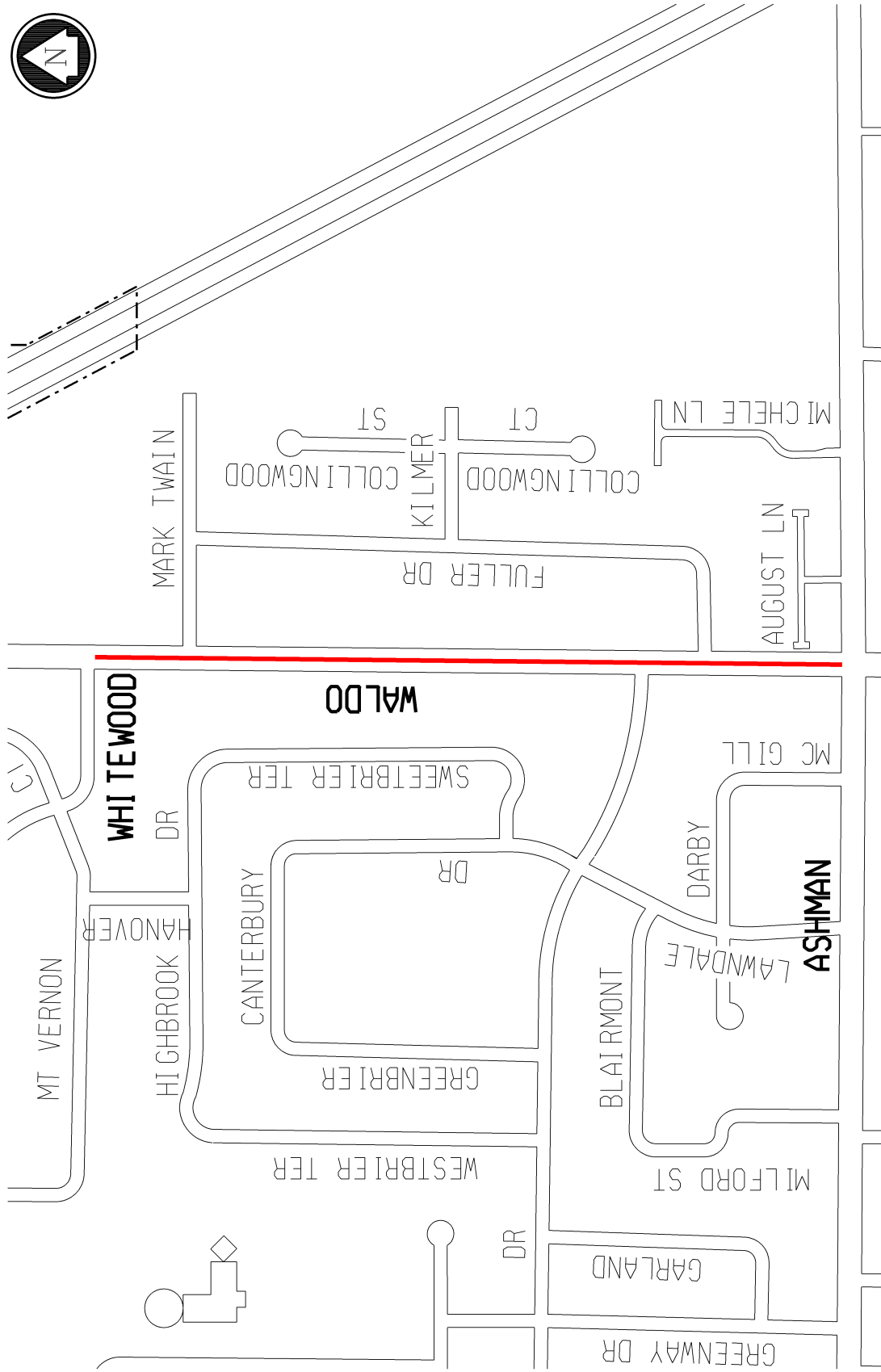
ST. ANDREWS

WASHINGTON TO SUGNET

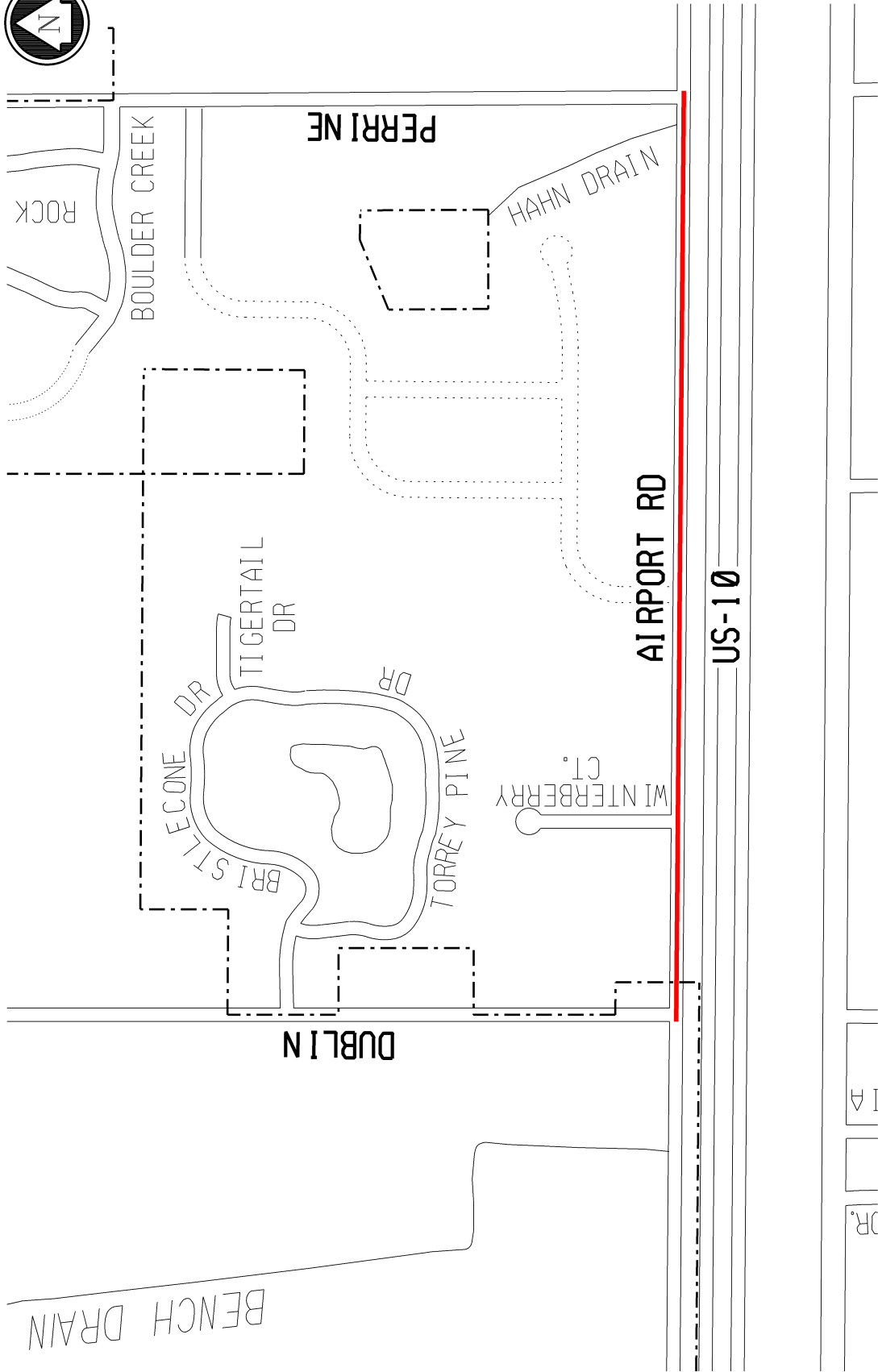
(COST: \$455,000)



WACKERLY RECONSTRUCTION
STURGEON TO SCHADE
(COST: \$708,000)



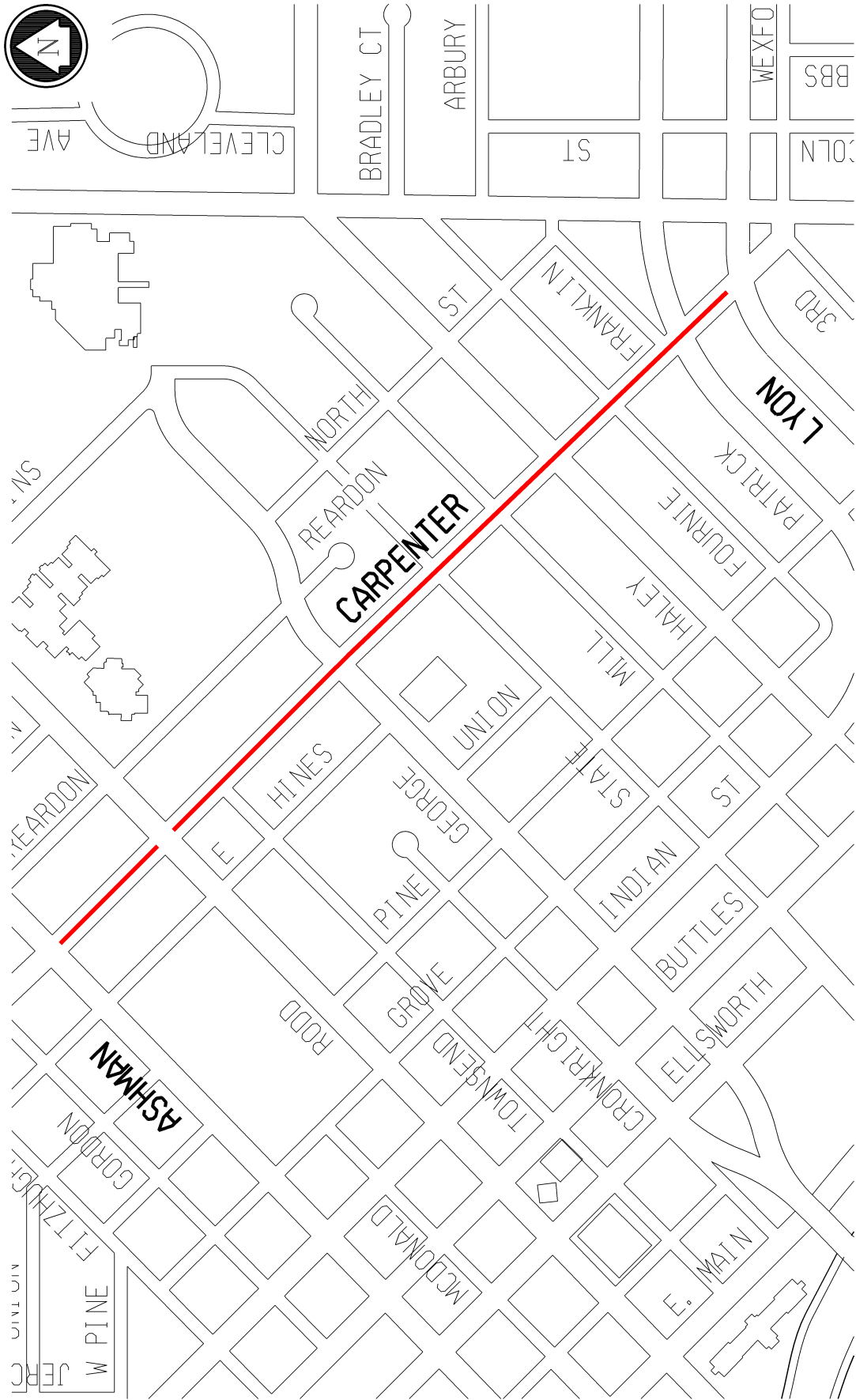
WALDO
ASHMAN TO WHITEWOOD
(COST: \$320,000)



AIRPORT RECONSTRUCTION

DUBLIN TO PERRINE

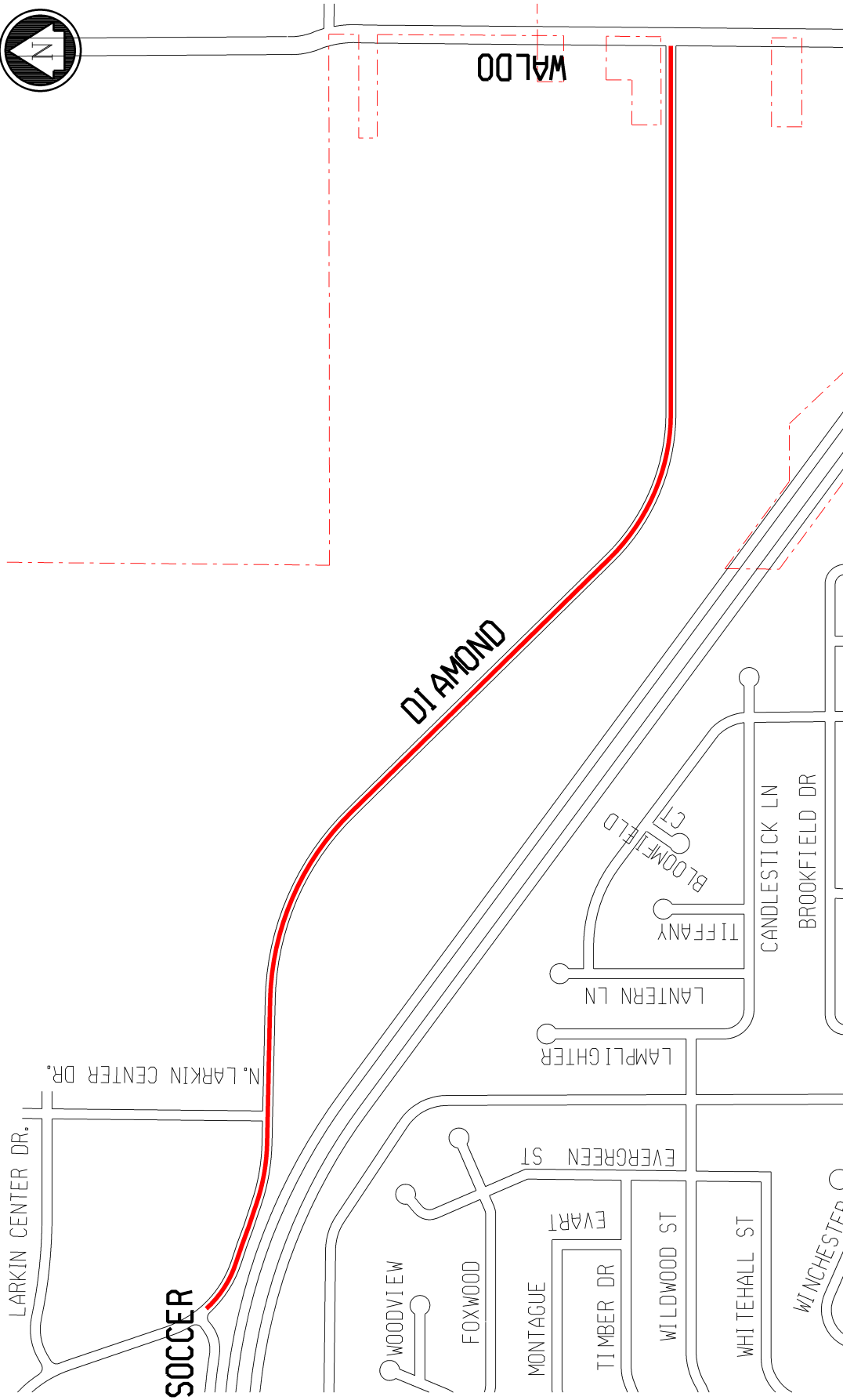
TOTAL COST: \$340,000



CARPENTER RECONSTRUCTION

ASHMAN TO LYON

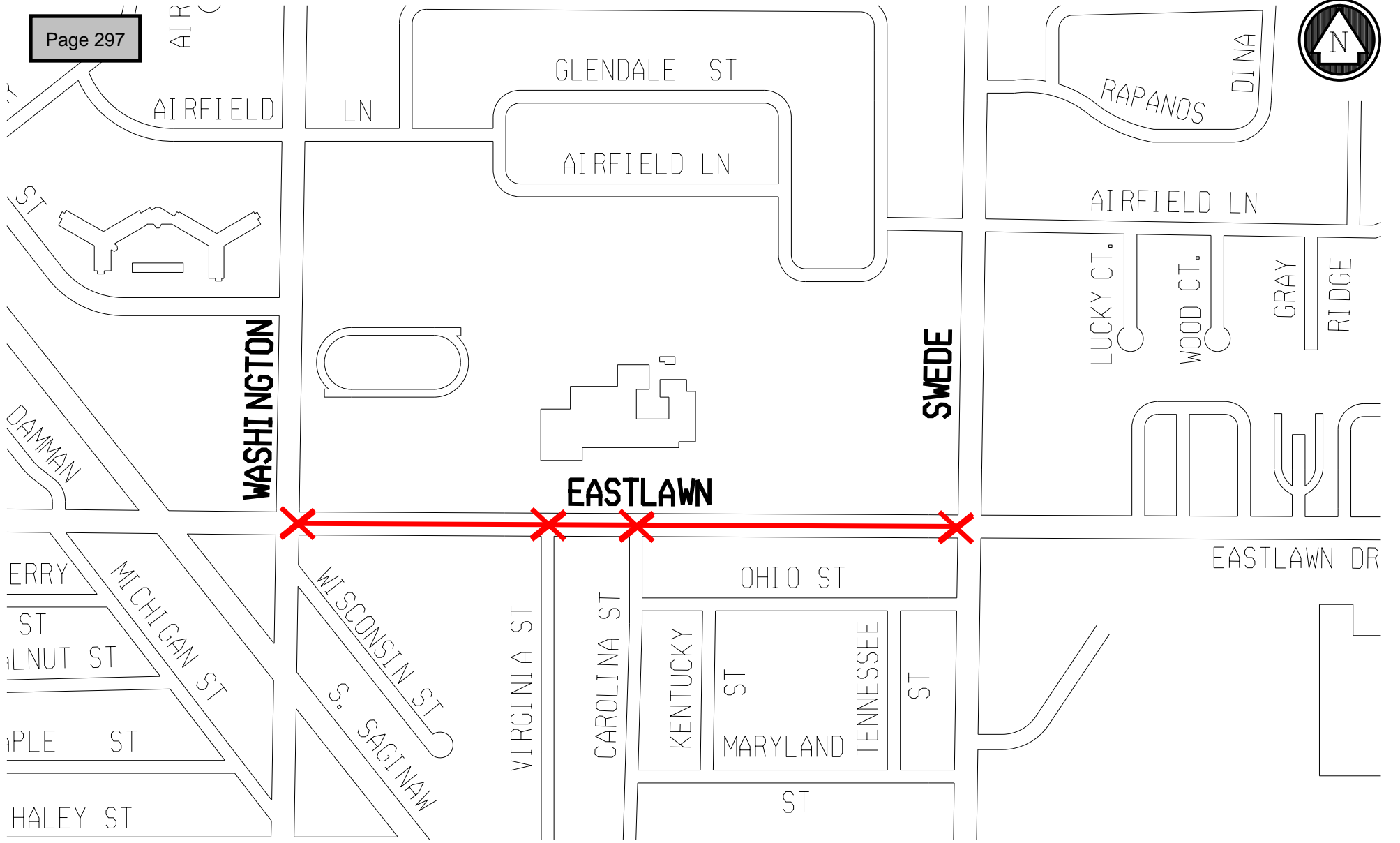
(STREET COST: \$587,000) (WATER COST: \$600,000)



DIAMOND RECONSTRUCTION

SOCCER TO WALDO

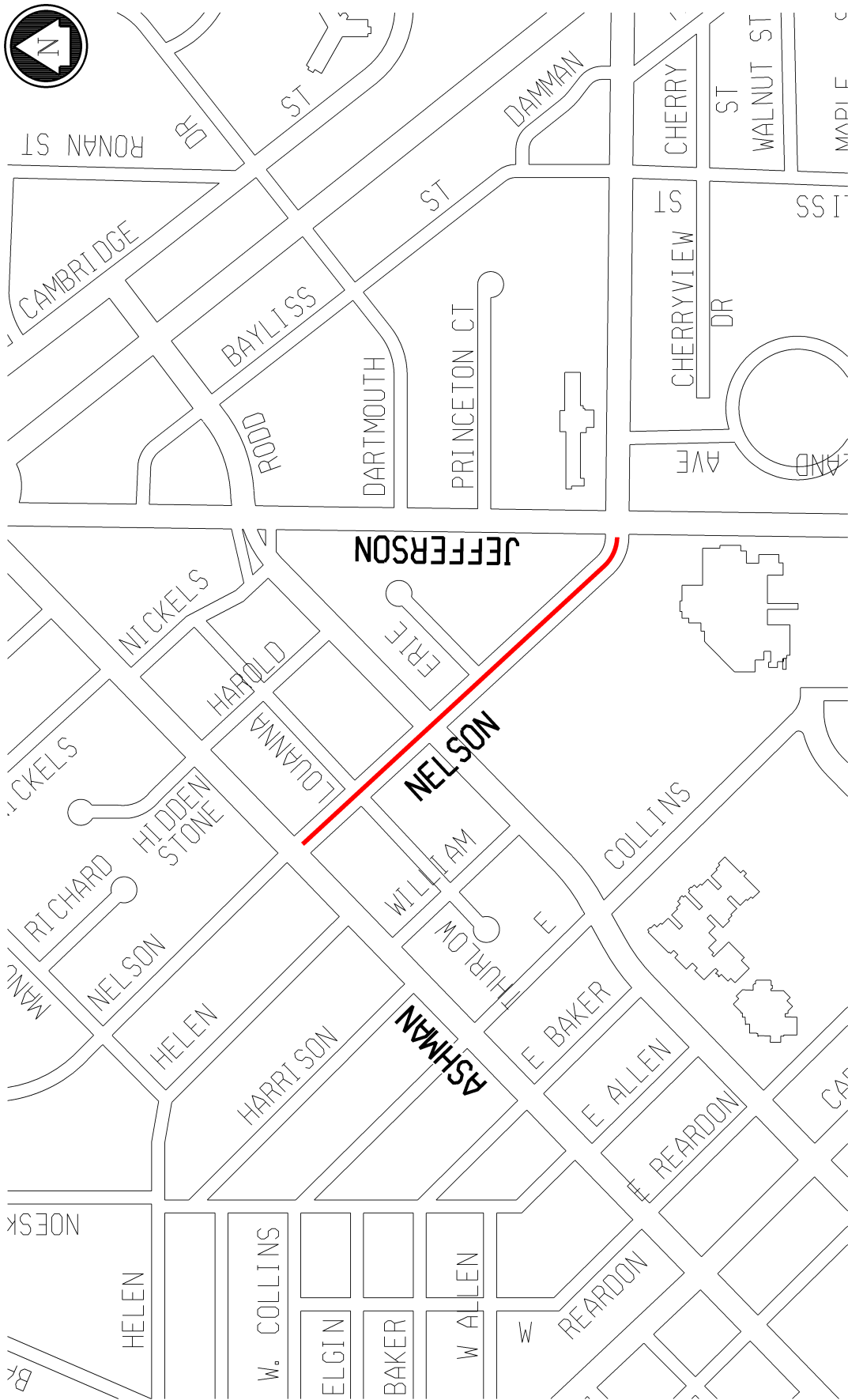
(COST: \$460,000)



EASTLAWN RECONSTRUCTION

WASHINGTON TO SWEDE

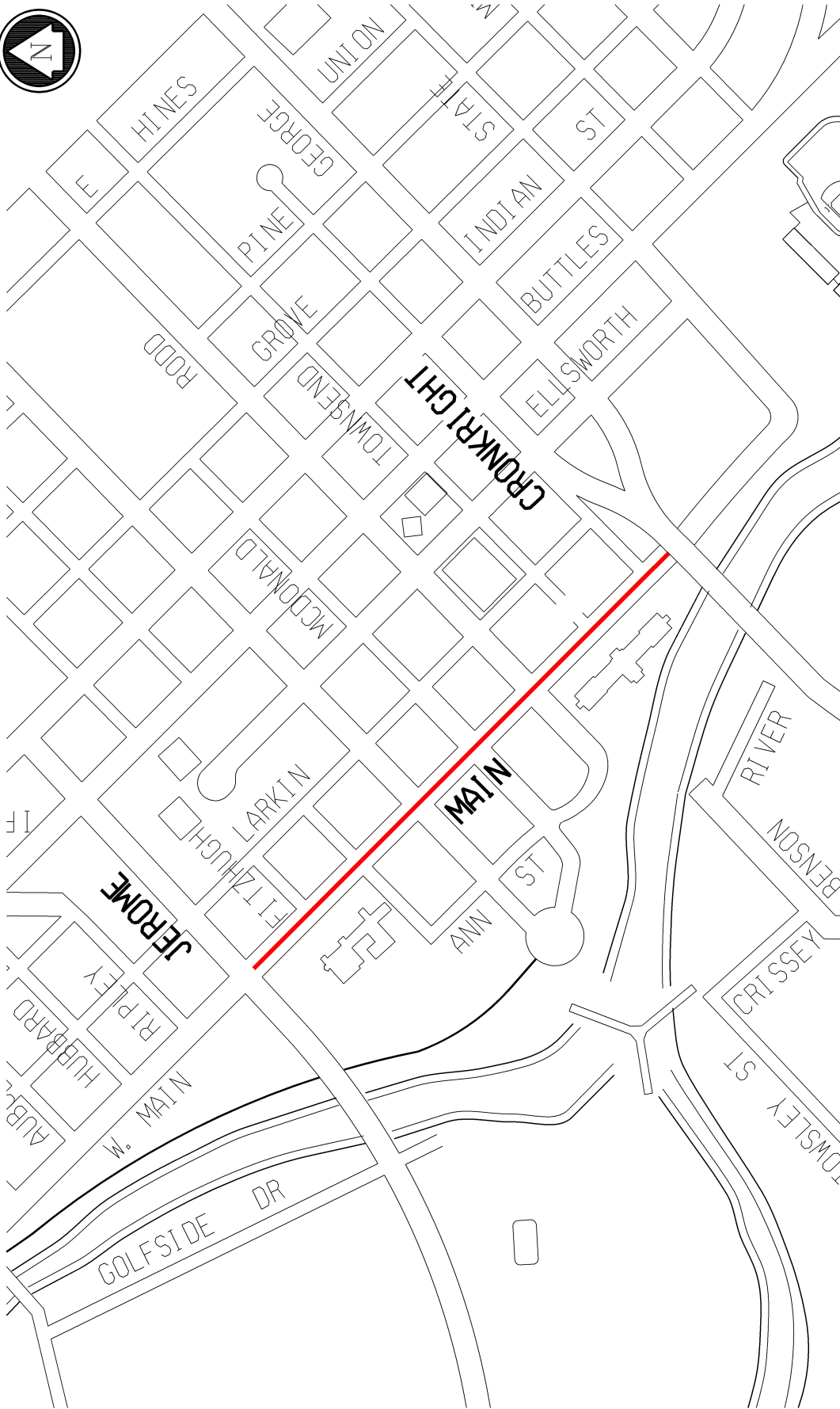
(STREET COST: \$330,000) (WATER COST: \$40,000)



NELSON RECONSTRUCTION

ASHMAN TO JEFFERSON

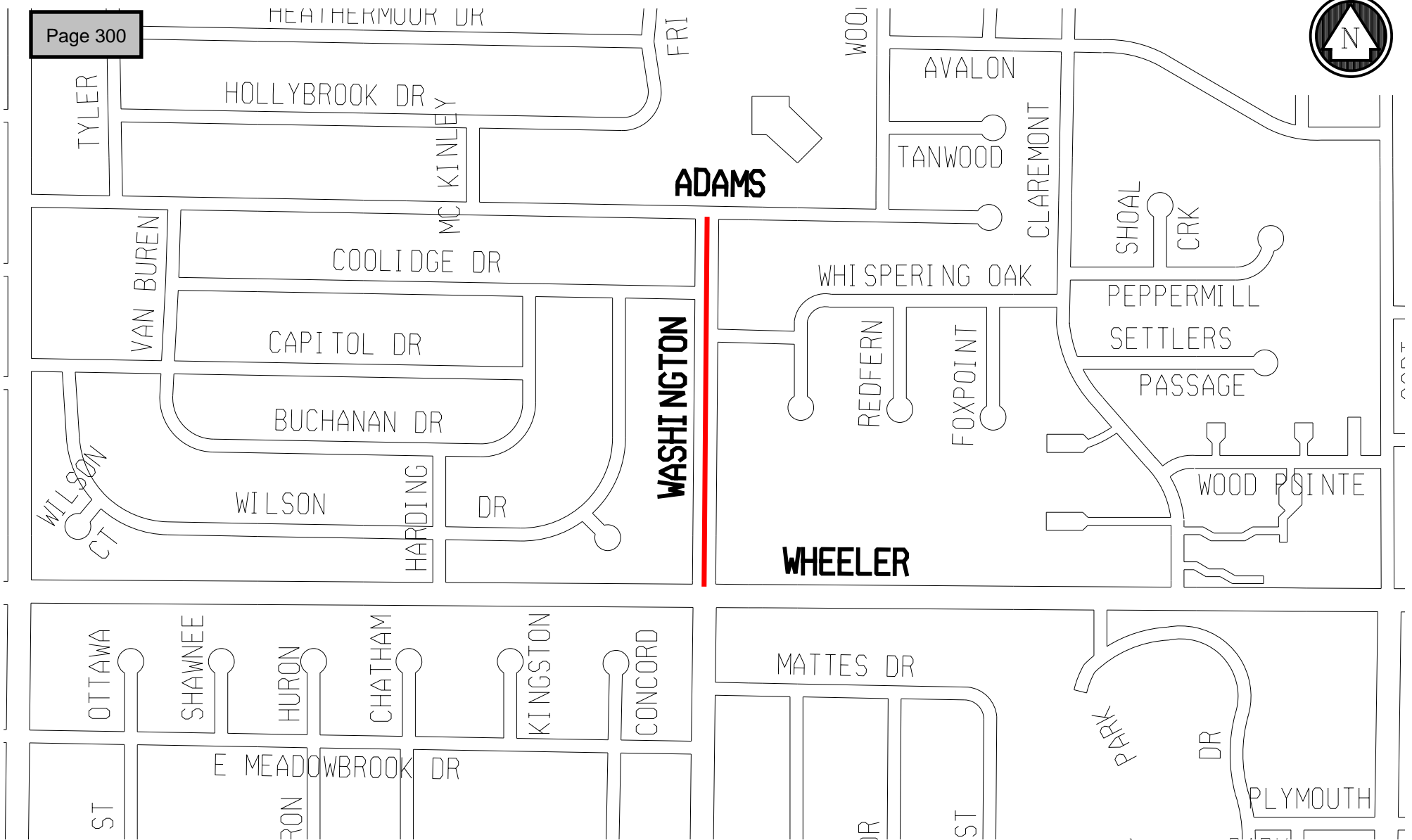
(STREET COST: \$394,000) (WATER COST: \$252,300)



MAIN STREET STREETSCAPE

JEROME TO CRONKRIGHT

(COST: \$6,500,000)



WASHINGTON RECONSTRUCTION

WHEELER TO ADAMS

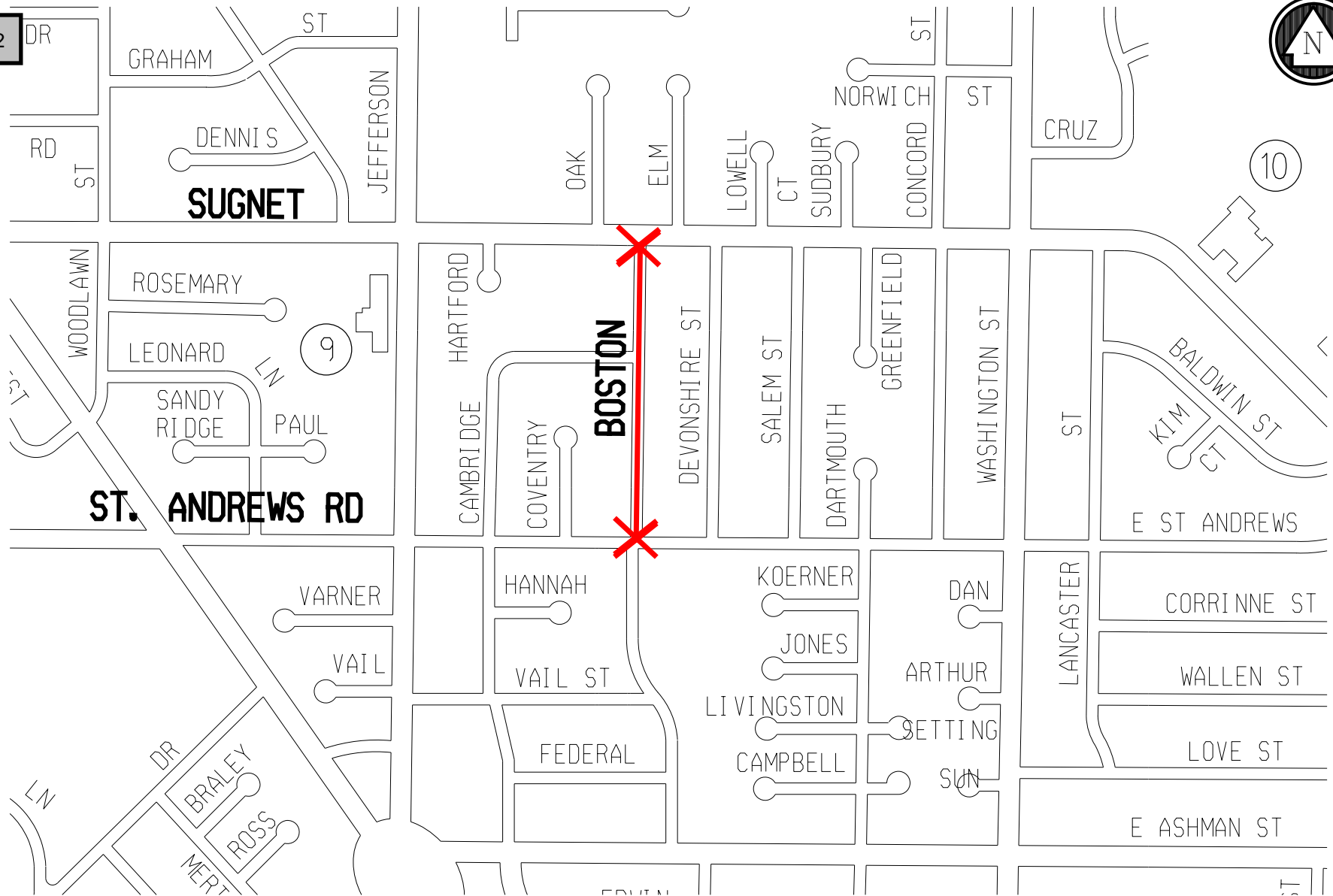
(COST: \$275,000)



BAYLISS RECONSTRUCTION

JEFFERSON TO DARTMOUTH

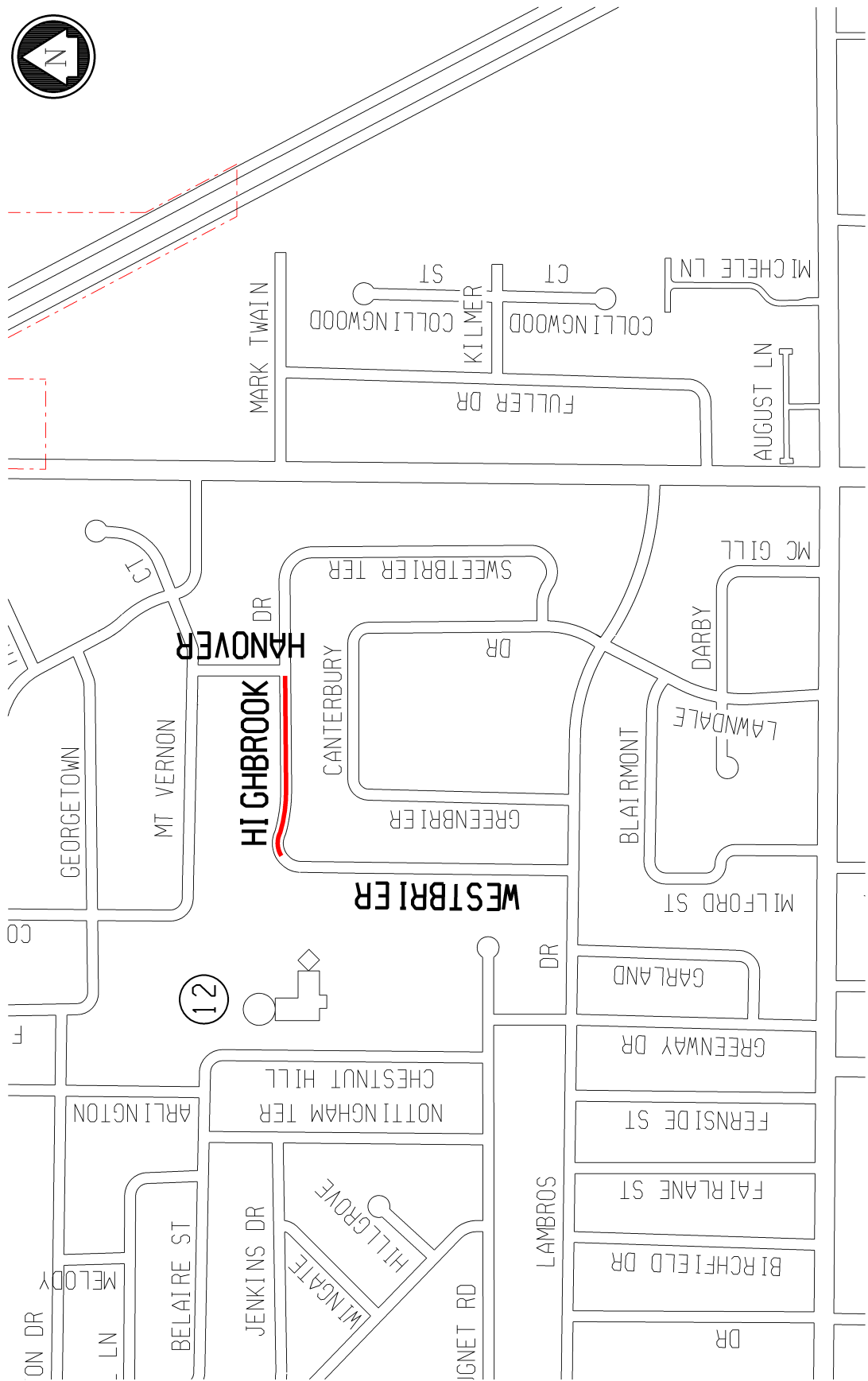
(STREET COST: \$260,000) (WATER COST: \$141,000)



BOSTON RECONSTRUCTION

ST. ANDREWS TO SUGNET

(STREET COST: \$167,000) (WATER COST: \$30,000)



HIGHBROOK RECONSTRUCTION

WESTBRIER TO HANOVER

(STREET COST: \$100,000) (WATER COST: \$150,000)



KENTWOOD RECONSTRUCTION

ASHMAN TO CORRINNE

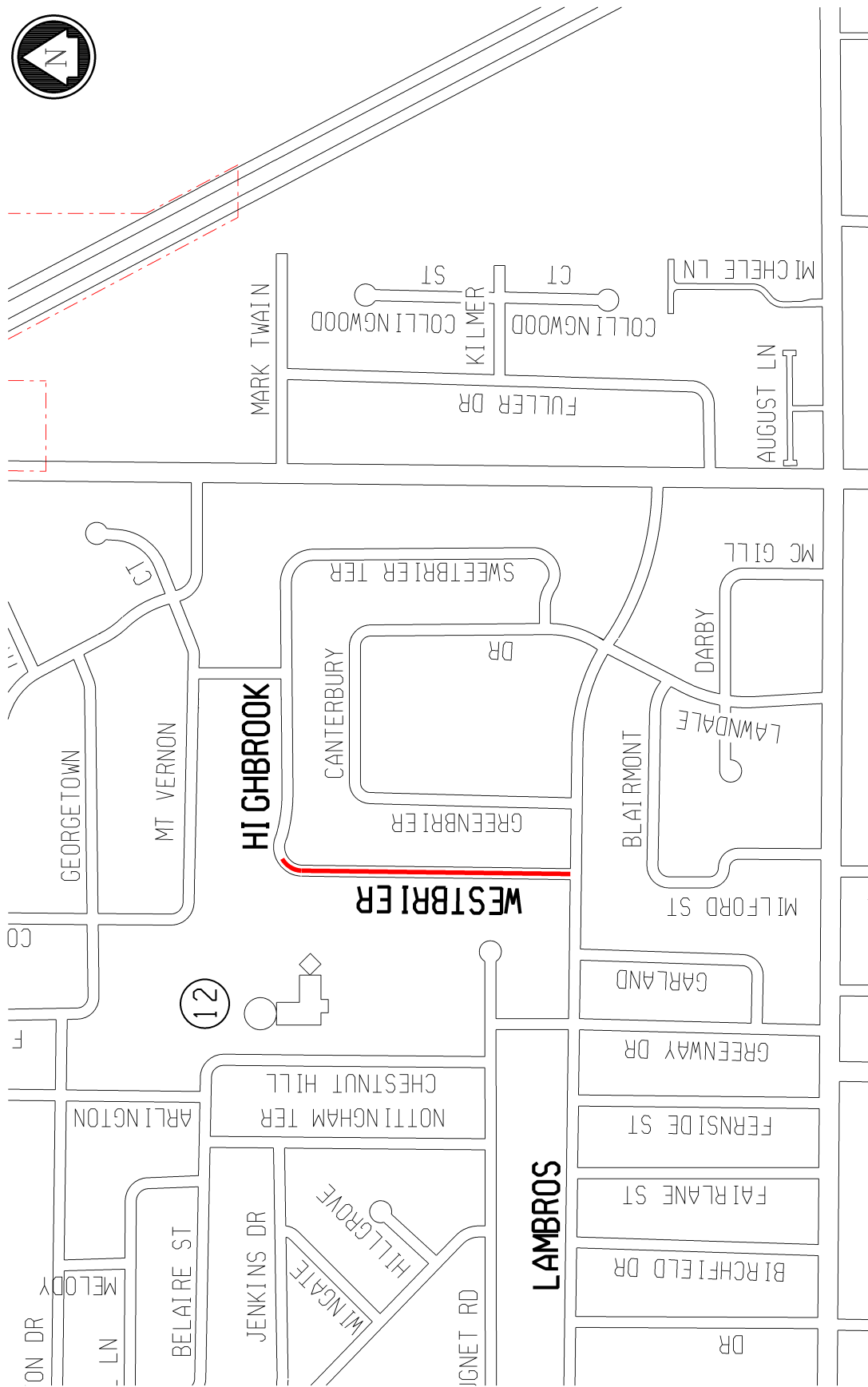
(STREET COST: \$177,000) (WATER COST: \$132,000)



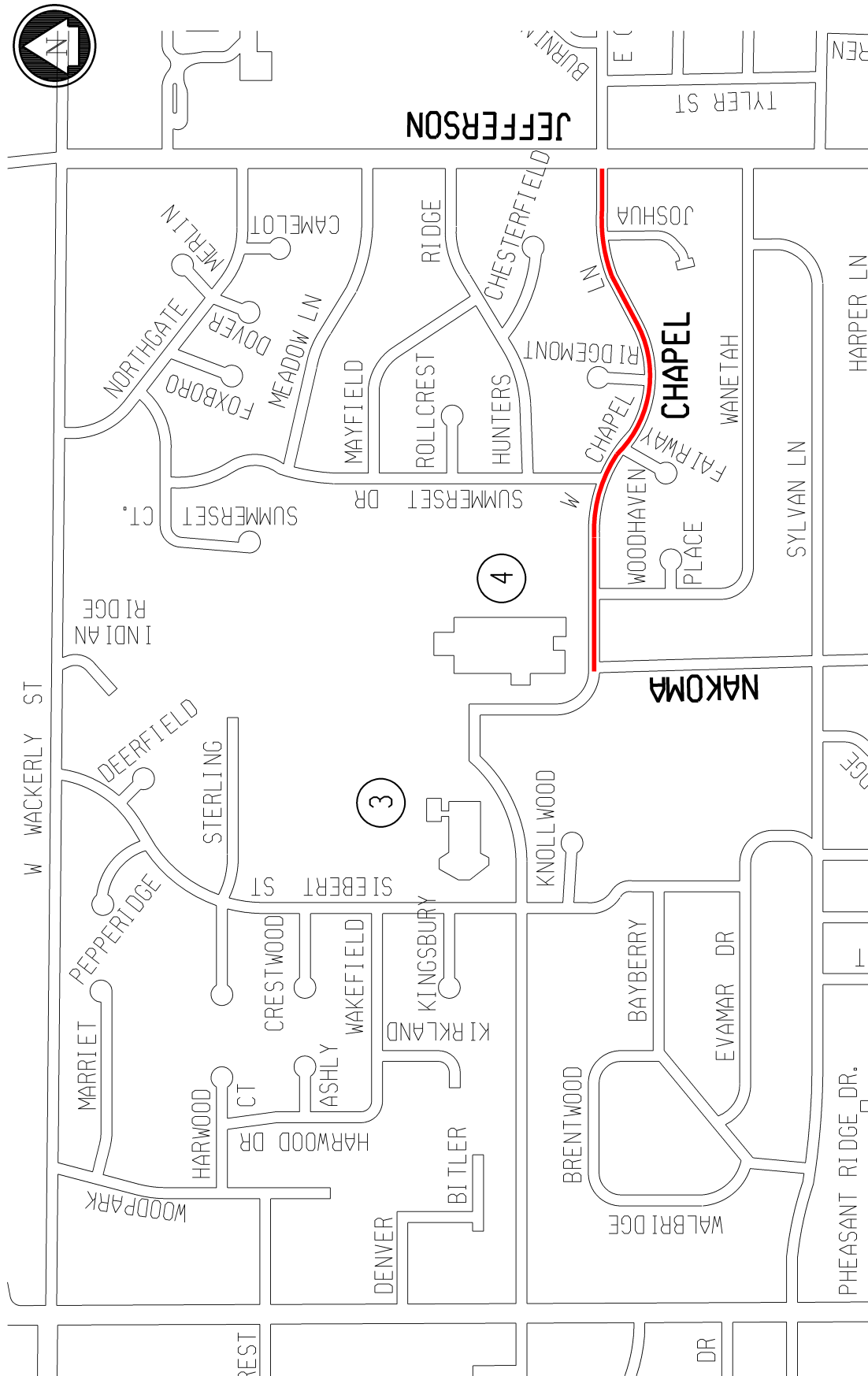
MEADOWBROOK RECONSTRUCTION

JEFFERSON TO WASHINGTON

(STREET COST: \$375,000) (WATER COST: \$335,000)

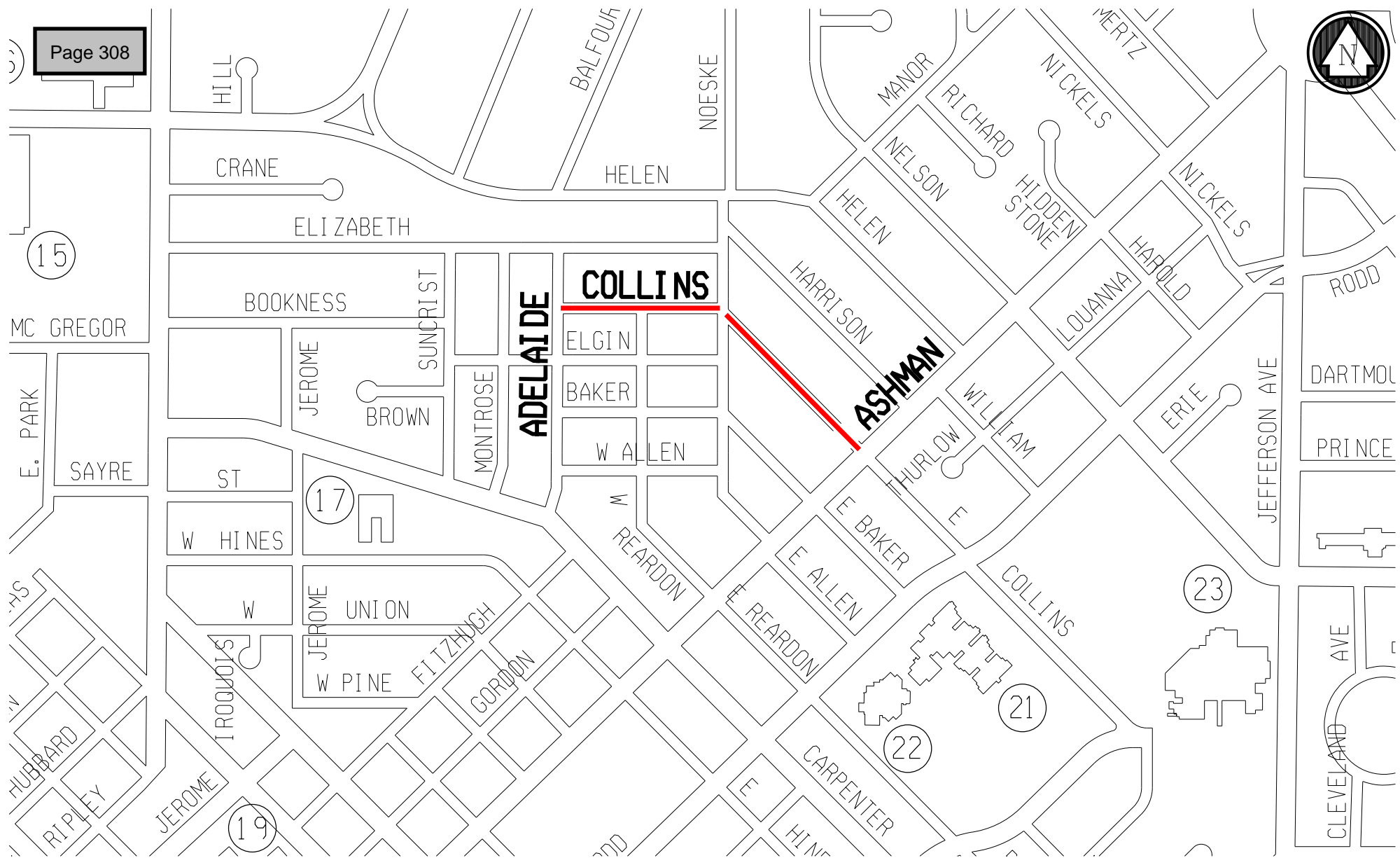


WESTBRIER RECONSTRUCTION
LAMBROS TO HIGHBROOK
(STREET COST: \$185,000) (WATER COST: \$195,000)

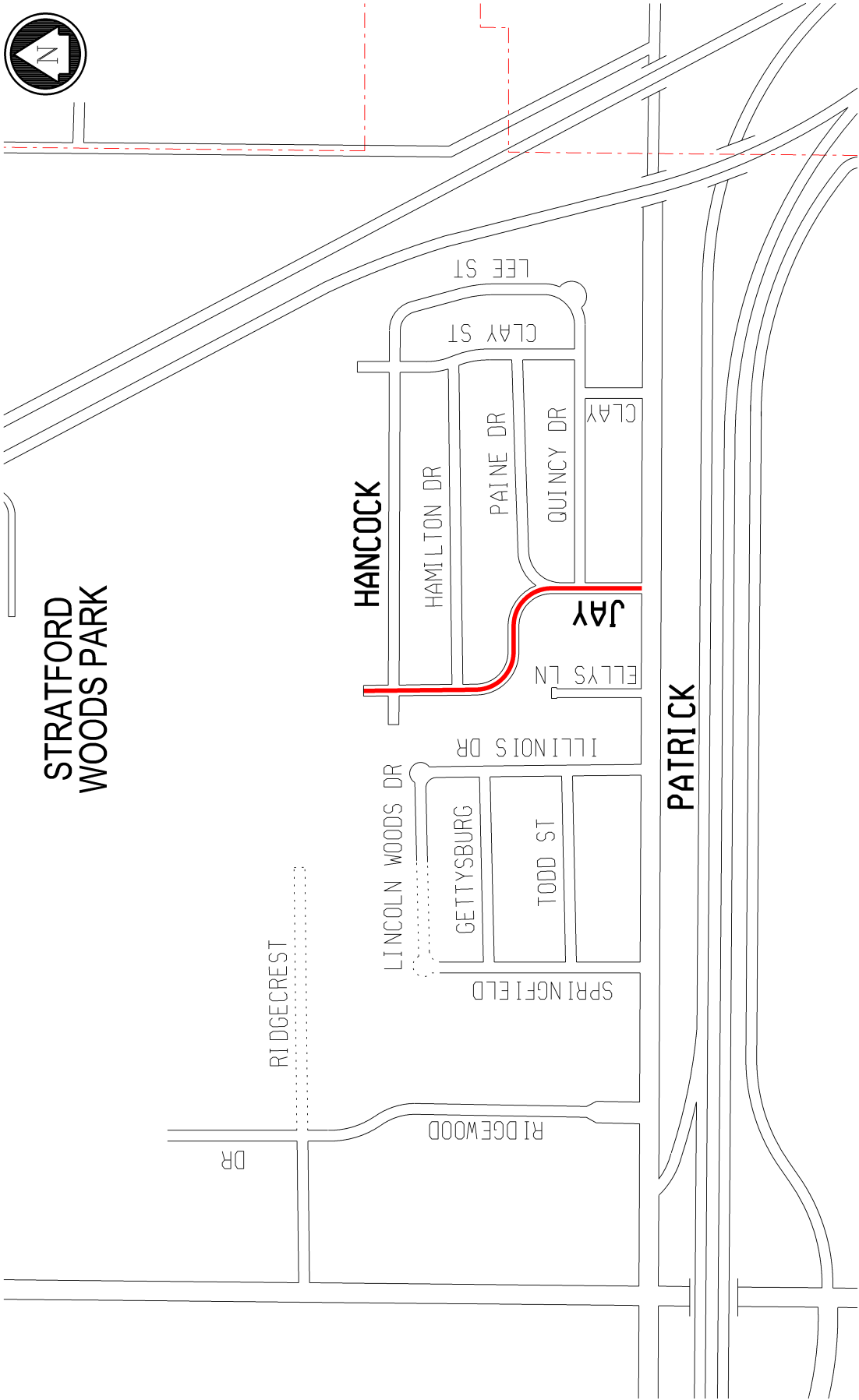


NAKOMA TO JEFFERSON

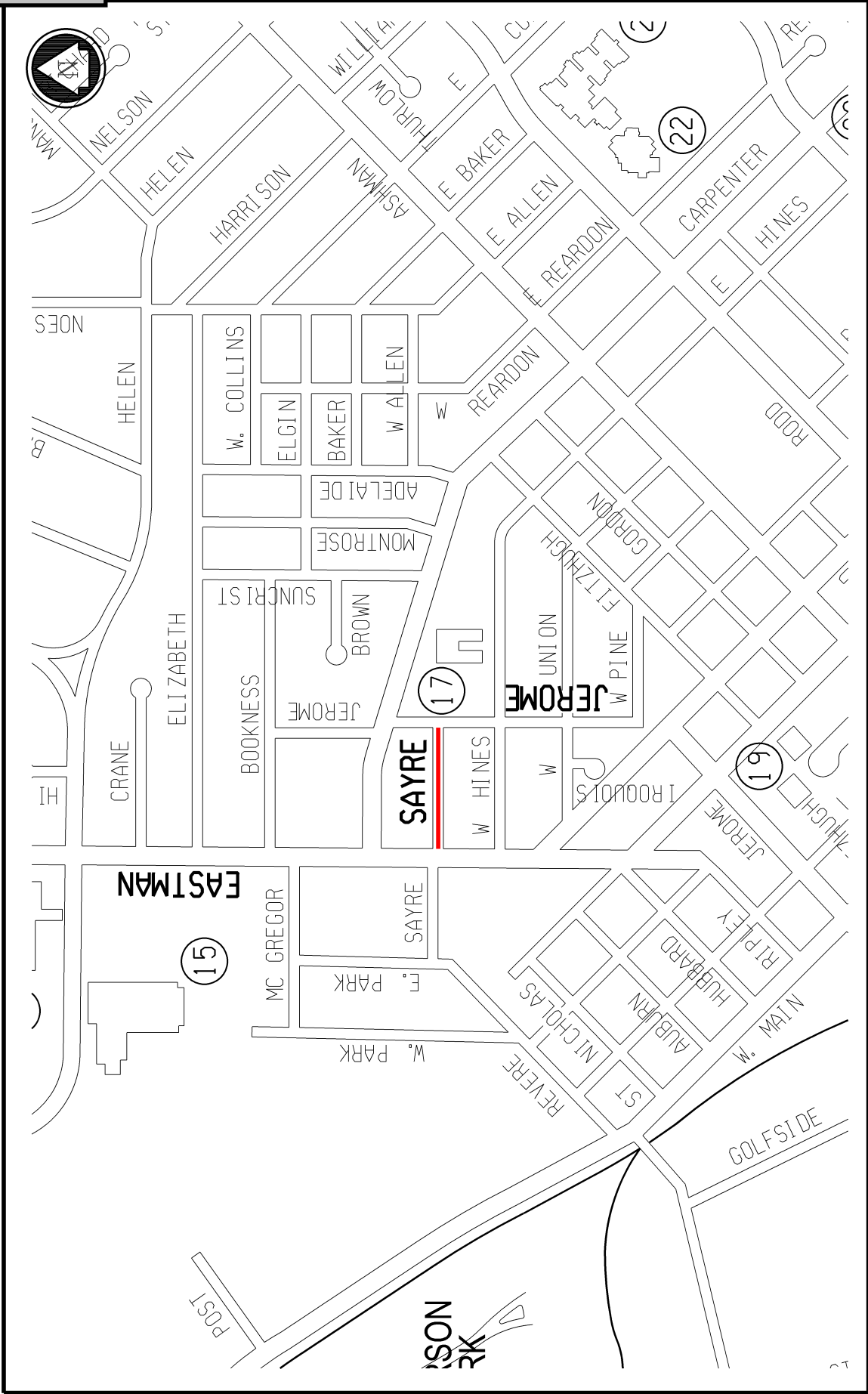
(STREET COST: \$335,000) (WATER COST: \$350,000)



COLLINS RECONSTRUCTION
ADELAIDE TO ASHMAN
(COST: \$150,000)



JAY RECONSTRUCTION
PATRICK TO HANCOCK
(STREET COST: \$280,000) (WATER COST: \$150,000)



SAYRE RECONSTRUCTION

EASTMAN TO JEROME

(STREET COST: \$150,000) (WATER COST: \$90,880)



ST NICHOLAS RECONSTRUCTION

MAIN TO BOTTLES

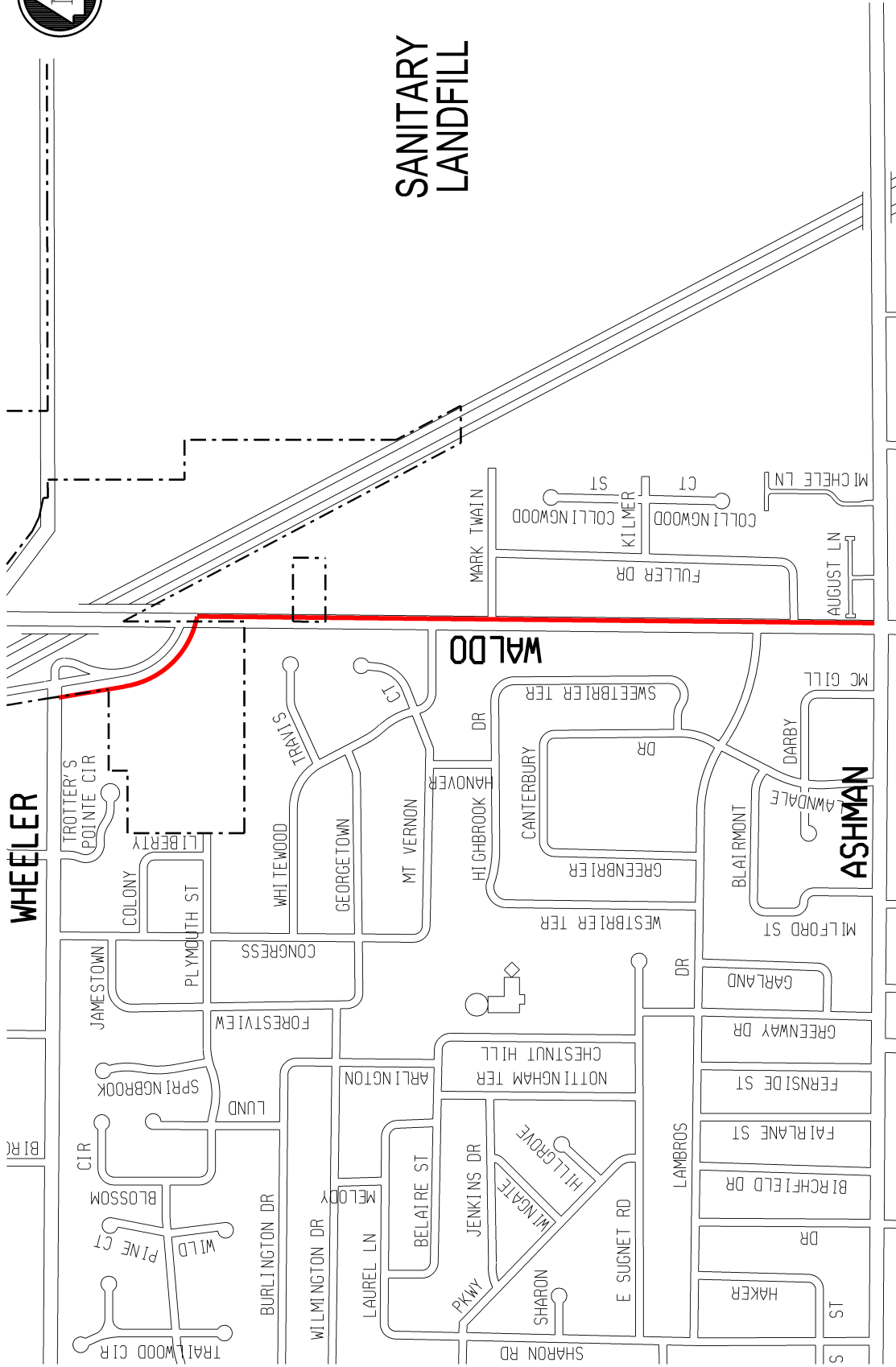
(STREET COST: \$180,000) (WATER COST: \$175,000)



WACKERLY STREET WATER

STURGEON CRK PKWY TO STURGEON

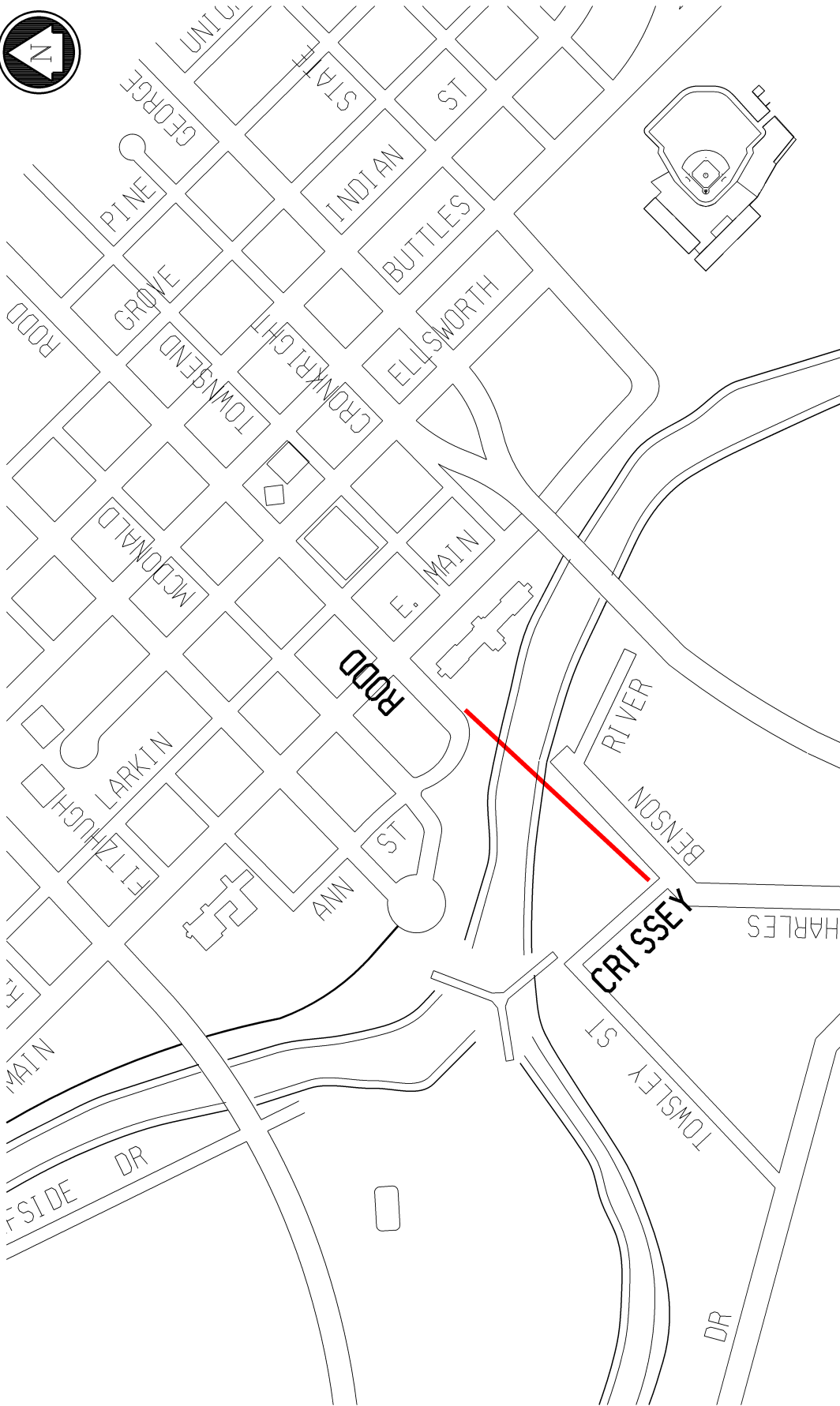
(COST: \$130,000)



WALDO WATER IMPROVEMENTS

ASHMAN TO WHEELER

(COST: \$1,176,000)



WATER MAIN RIVER CROSSING

RODD TO CRISSEY

(COST: \$250,000)

Backup material for agenda item:

6. * Recognizing the Currie Municipal Golf Course Fund's 2016/17 adopted budget as the current deficit elimination plan and authorizing submission of this plan to the Michigan Department of Treasury. KEENAN

SUMMARY REPORT TO MANAGER
For City Council Meeting of January 23, 2017

SUBJECT: Deficit Elimination Plan for the Currie Municipal Golf Course Fund

INITIATED BY: David A. Keenan, Assistant City Manager

RESOLUTION SUMMARY:

Resolution recognizes the Currie Municipal Golf Course Fund's 2016/17 adopted budget as the current plan to eliminate the fund deficit, and authorizes submission of this plan to the Michigan Department of Treasury to satisfy its requirement to file an annual deficit elimination plan during the course of a multi-year plan.

ITEMS ATTACHED:

1. Letter of Transmittal
2. Adopted Budget for 2016-17 for Golf Course
3. Audit statement for 6/30/16 for Golf Course
4. Resolution

CITY COUNCIL ACTION:

3/5 affirmative vote required for adoption

David A. Keenan
Assistant City Manager



City Hall ♦ 333 West Ellsworth Street ♦ Midland, Michigan 48640 ♦ 989.837.3300 * 989.837.2717 Fax ♦ www.cityofmidlandmi.gov

TO: Jon Lynch, City Manager

FM: David A. Keenan, Assistant City Manager

DT: January 18, 2017

RE: Currie Golf Course Deficit Elimination Plan

On July 11, 2016, the Michigan Department of Treasury (Treasury) once again revised their requirements as they relate to a local unit of government reporting a deficit at the fund level in its audited financial statements.

The new requirements are included in Numbered Letter 2016-1 and now provides that,

“Local units with multiple year plans must submit a revised plan each subsequent year, even if they meet their projection, which adheres to the time frame that was originally certified, not to exceed five years.”

To summarize the City of Midland’s situation, we have approximately six months left on the five-year plan ending 6/30/17.

- The original deficit for the year ended 6/30/12 was \$1,267,292, and the five-year plan started with the fiscal year 6/30/13 and spanned through 6/30/17.
- In the spring of 2013 we incurred a near-record flood which closed the golf course for weeks. As a result we submitted a revised deficit elimination plan, which City Council approved on 1/27/14.
- On 6/1/16 I received a letter from Treasury advising me that the deficit as of 6/30/15 was \$687,533 when the plan provided for only a deficit of \$673,613. In response to this \$13,920 shortfall, or 1% of the original deficit, I submitted the 2015/16 amended budget, and the adopted 2016/17 budget which anticipated this situation and provided a plan that included a deficit balance of \$336,114 as of 6/30/16 and a positive balance of \$111,078 as of 6/30/17. Treasury accepted this submission as an adequate response to their request.
- On 12/27/16 I received a letter from Treasury stating that the Currie Municipal Golf Course Fund had a deficit of \$232,129 as of 6/30/16, and that a deficit elimination plan was required to be submitted.

While the fund did have a deficit of \$232,129 as of 6/30/16, that amount is \$113,985 ahead of schedule. In addition, 2016/17 is the final year of the plan, for which we have about six months remaining. Finally, the plan that Treasury agreed to in July of 2016 is the most recent plan we have, and doesn't need to be revised. Regardless, under Treasury's new requirements, the City must submit a plan to cover the remaining year to avoid having State Shared Revenue withheld.

The accompanying resolution for City Council's consideration would authorize the submittal of the adopted 2016/17 budget, which was formally adopted by City Council on 5/23/16, to Treasury as compliance for their request for a deficit elimination plan for the final year of the five-year plan ending 6/30/17.



*City Hall ♦ 333 West Ellsworth Street ♦ Midland, Michigan 48640 ♦ 989.837.3300 * 989.837.2717 Fax ♦ www.cityofmidlandmi.gov*

BY COUNCILMAN

WHEREAS, the Currie Municipal Golf Course Fund (Fund) is in the final year of a five-year deficit elimination plan ending June 30, 2017; and

WHEREAS, the ending working capital balance for the Fund for the fiscal year ending June 30, 2016, was a deficit balance of \$232,129; which is \$113,985 ahead of the target ending working capital balance as of June 30, 2016, according to the deficit elimination plan on file with the Michigan Department of Treasury (Treasury); and

WHEREAS, on May 24, 2016, City Council adopted the budget for the Fund for the fiscal year ending June 30, 2017, which would eliminate the deficit balance by that year-end, and this budget is on file with the Treasury as the current deficit elimination plan; and

WHEREAS, on July 11, 2016, Treasury released Numbered Letter 2016-1, which requires local units to file a deficit elimination plan for each year covered by that plan, regardless of whether they are in compliance or not; now therefore

RESOLVED, that the adopted budget for the fiscal year ending June 30, 2017, is recognized by City Council as the current plan to eliminate the deficit in the Fund by fiscal year-end, which is also the final year of the five-year deficit elimination plan, and agrees that this plan shall be submitted to Treasury to satisfy their requirement to file an annual deficit elimination plan during the course of a multi-year plan.

YEAS:

NAYS:

ABSENT:

I, Selina Tisdale, City Clerk, City of Midland, Counties of Bay and Midland, State of Michigan, do hereby certify that the foregoing is a true and correct copy of a resolution adopted by a yeas vote of all of the Councilmen present at a regular meeting of the City Council held Monday, January 23, 2017.

Selina Tisdale, City Clerk

Backup material for agenda item:

7. * Adopting the MDOT Performance Resolution for Governmental Agencies to facilitate State Right of Way Permits. MCMANUS.

SUMMARY REPORT TO THE CITY MANAGER

for City Council Meeting of January 23, 2017

SUBJECT: MDOT Resolution Allowing Access to State Right of Way in the City of Midland

INITIATED BY: City of Midland Engineering Department

RESOLUTION SUMMARY: This resolution adopts the use of the MDOT Performance Resolution for Governmental Agencies as part of the MDOT permit process for obtaining access of State Rights of Way in the City of Midland.

ITEMS ATTACHED:

1. Cover Letter
2. Resolution
3. MDOT Performance Resolution for Governmental Agencies

CITY COUNCIL ACTION: 3/5 vote required to approve resolution

SUBMITTED BY: Brian McManus, City Engineer



City Hall ♦ 333 West Ellsworth Street ♦ Midland, Michigan 48640-5132 ♦ 989.837.3300 ♦ 989.835.2717 Fax

DATE: January 16, 2017

TO: Jon Lynch, City Manager

FROM: Brian McManus, City Engineer

RE: MDOT Resolution Regarding Permits for Obtaining Access to State Rights of Way in the City of Midland

The Michigan Department of Transportation (MDOT) requires performance permits to allow municipalities to access State Rights of Way for various occurrences such as tree trimming, land surveys, and temporary road closures due to parades, etc.

To minimize requiring individual performance permits for each occurrence, MDOT allows municipalities to obtain an annual permit for these purposes. In order for MDOT to approve this annual permit, City Council must approve a related standard performance resolution, which has been prepared by MDOT.

City Council approved similar resolutions annually since MDOT began approving annual performance permits to the City from April 2001 through 2006. In 2007, MDOT began allowing extensions of the 2006 resolution as long as there were no changes to the resolution. Since that time, minor changes have occurred in 2008 and 2013. MDOT has revised the resolution this year.

This year MDOT has added the condition listed as the second item of the resolution. This new item is related to the City's responsibility to require its contractor to hold harmless the State for work done on behalf of the City in the right of way.

In addition to the revision to the resolution by MDOT, the City has added staff positions listed to the resolution to broaden the eligibility of staff that could apply for right of way permits.

The MDOT resolution for consideration has been reviewed and approved by the City Attorney.



City Hall ♦ 333 West Ellsworth Street ♦ Midland, Michigan 48640-5132 ♦ 989.837.3300 ♦ 989.835.2717 Fax

BY COUNCILMAN

WHEREAS, the Michigan Department of Transportation (MDOT), is requesting that the City of Midland renew the MDOT Performance Resolution for Governmental Agencies and related annual extensions to allow the City of Midland to operate within the State Rights of Way using an annual State permit instead of individual State permits; and

WHEREAS, the Midland City Council has previously approved similar annual performance resolutions; and

WHEREAS, the resolution approved in 2013 has been modified by MDOT; and

WHEREAS, the latest resolution includes a list of staff positions which are allowed to apply for permits; and

WHEREAS, the City Attorney has reviewed the MDOT Performance Resolution for Governmental Agencies; now therefore

RESOLVED, that the attached MDOT Performance Resolution for Governmental Agencies is hereby adopted to facilitate processing State Right of Way Permits; and

RESOLVED FURTHER, that the City Clerk is hereby authorized to execute the MDOT Performance Resolution for Governmental Agencies on behalf of the City of Midland.

YEAS:

NAYS:

ABSENT:

I, Selina Tisdale, City Clerk, City of Midland, Counties of Bay and Midland, State of Michigan, do hereby certify that the foregoing is a true and correct copy of a resolution adopted by a yea vote of all the Councilmen present at a regular meeting of the City Council held Monday, January 23, 2017.

Selina Tisdale, City Clerk

PERFORMANCE RESOLUTION FOR GOVERNMENTAL AGENCIES

This Performance Resolution is required by the Michigan Department of Transportation for purposes of issuing to a municipal utility an "Individual Permit for Use of State Highway Right of Way", or an "Annual Application and Permit for Miscellaneous Operations within State Highway Right of Way".

RESOLVED WHEREAS, the _____
(city, village, township, etc.)

hereinafter referred to as the "GOVERNMENTAL AGENCY," periodically applies to the Michigan Department of Transportation, hereinafter referred to as the "DEPARTMENT," for permits, referred to as "PERMIT," to construct, operate, use and/or maintain utilities or other facilities, or to conduct other activities, on, over, and under State Highway Right of Way at various locations within and adjacent to its corporate limits;

NOW THEREFORE, in consideration of the DEPARTMENT granting such PERMIT, the GOVERNMENTAL AGENCY agrees that:

1. Each party to this Agreement shall remain responsible for any claims arising out of their own acts and/or omissions during the performance of this Agreement, as provided by law. This Agreement is not intended to increase either party's liability for, or immunity from, tort claims, nor shall it be interpreted, as giving either party hereto a right of indemnification, either by Agreement or at law, for claims arising out of the performance of this Agreement.
2. If any of the work performed for the GOVERNMENTAL AGENCY is performed by a contractor, the GOVERNMENTAL AGENCY shall require its contractor to hold harmless, indemnify and defend in litigation, the State of Michigan, the DEPARTMENT and their agents and employee's, against any claims for damages to public or private property and for injuries to person arising out of the performance of the work, except for claims that result from the sole negligence or willful acts of the DEPARTMENT, until the contractor achieves final acceptance of the GOVERNMENTAL AGENCY. Failure of the GOVERNMENTAL AGENCY to require its contractor to indemnify the DEPARTMENT, as set forth above, shall be considered a breach of its duties to the DEPARTMENT.
3. Any work performed for the GOVERNMENTAL AGENCY by a contractor or subcontractor will be solely as a contractor for the GOVERNMENTAL AGENCY and not as a contractor or agent of the DEPARTMENT. The DEPARTMENT shall not be subject to any obligations or liabilities by vendors and contractors of the GOVERNMENTAL AGENCY, or their subcontractors or any other person not a party to the PERMIT without the DEPARTMENT'S specific prior written consent and notwithstanding the issuance of the PERMIT. Any claims by any contractor or subcontractor will be the sole responsibility of the GOVERNMENTAL AGENCY.
4. The GOVERNMENTAL AGENCY shall take no unlawful action or conduct, which arises either directly or indirectly out of its obligations, responsibilities, and duties under the PERMIT which results in claims being asserted against or judgment being imposed against the State of Michigan, the Michigan Transportation Commission, the DEPARTMENT, and all officers, agents and employees thereof and those contracting governmental bodies performing permit activities for the DEPARTMENT and all officers, agents, and employees thereof, pursuant to a maintenance contract. In the event that the same occurs, for the purposes of the PERMIT, it will be considered as a breach of the PERMIT thereby giving the State of Michigan, the DEPARTMENT, and/or the Michigan Transportation Commission a right to seek and obtain any necessary relief or remedy, including, but not by way of limitation, a judgment for money damages.

5. The GOVERNMENTAL AGENCY will, by its own volition and/or request by the DEPARTMENT, promptly restore and/or correct physical or operating damages to any State Highway Right of Way resulting from the installation construction, operation and/or maintenance of the GOVERNMENTAL AGENCY'S facilities according to a PERMIT issued by the DEPARTMENT.
6. With respect to any activities authorized by a PERMIT, when the GOVERNMENTAL AGENCY requires insurance on its own or its contractor's behalf it shall also require that such policy include as named insured the State of Michigan, the Transportation Commission, the DEPARTMENT, and all officers, agents, and employees thereof and those governmental bodies performing permit activities for the DEPARTMENT and all officers, agents, and employees thereof, pursuant to a maintenance contract.
7. The incorporation by the DEPARTMENT of this resolution as part of a PERMIT does not prevent the DEPARTMENT from requiring additional performance security or insurance before issuance of a PERMIT.
8. This resolution shall continue in force from this date until cancelled by the GOVERNMENTAL AGENCY or the DEPARTMENT with no less than thirty (30) days prior written notice provided to the other party. It will not be cancelled or otherwise terminated by the GOVERNMENTAL AGENCY with regard to any PERMIT which has already been issued or activity which has already been undertaken.

BE IT FURTHER RESOLVED, that the following position(s) are authorized to apply to the DEPARTMENT for the necessary permit to work within State Highway Right of Way on behalf of the GOVERNMENTAL AGENCY.

Title and/or Name:

I HEREBY CERTIFY that the foregoing is a true copy of a resolution adopted by

the _____
(Name of Board, etc)

of the _____ of _____
(Name of GOVERNMENTAL AGENCY) (County)

at a _____ meeting held on the _____ day

of _____ A.D. _____.

Signed _____ Title _____

Backup material for agenda item:

8. * Making Traffic Control Orders Permanent. MCMANUS
 - a. * P-16-04 - That all day parking, from 6 a.m. to 3 a.m., shall be permitted on the north side of Ohio Street between Carolina Street and Tennessee Street.
 - b. * P-16-05 - That parking shall be prohibited on the west side of Schade Drive from Oakfield Drive to 125 feet south of W. Wackerly Street; and that parking shall be prohibited between 7 a.m. and 6 p.m. Monday through Friday, on the east side of Schade Drive from Oakfield Drive to 125 feet south of W. Wackerly Street.
 - c. * S-16-02 - That Courtside Drive shall stop for Woodview Pass.
 - d. * S-16-03 - That Foxwood Drive shall stop for Woodview Pass.
 - e. * S-16-04 - That Woodview Court shall stop for Woodview Pass.
 - f. * S-16-05 - That Pine Haven Circle shall Yield to Foster Road.

SUMMARY REPORT TO MANAGER

For City Council Meeting of January 23, 2017

SUBJECT: Traffic Control Orders P-16-04; P-16-05; S-16-02; S-16-03; S-16-04; S-16-05

INITIATED BY: Engineering Department

RESOLUTION SUMMARIES:

TCO P-16-04 – That all day parking, from 6:00 a.m. to 3:00 a.m., shall be permitted on the north side of Ohio Street between Carolina Street and Tennessee Street.

TCO P-16-05 – That parking shall be prohibited on the west side of Schade Drive from Oakfield Drive to 125 feet south of W. Wackerly Street; and that parking shall be prohibited between the hours of 7:00 a.m. and 6:00 p.m., Monday through Friday, on the east side of Schade Drive from Oakfield Drive to 125 feet south of W. Wackerly Street.

TCO S-16-02 – That Courtside Drive shall stop for Woodview Pass.

TCO S-16-03 – That Foxwood Drive Shall stop for Woodview Pass.

TCO S-16-04 – That Woodview Court shall stop for Woodview Pass.

TCO S-16-05 – That Pine Haven Circle shall “Yield” to Foster Road.

ITEMS ATTACHED:

1. Letter of Transmittal
2. Resolutions
3. Location Maps

CITY COUNCIL ACTION:

3/5 vote required to approve resolutions

SUBMITTED BY: Brian McManus, City Engineer



City Hall ♦ 333 West Ellsworth Street ♦ Midland, Michigan 48640-5132 ♦ 989.837.3300 ♦ 989.835.2717 Fax

TO: Jon Lynch, City Manager

FROM: Brian McManus, City Engineer

DATE: January 16, 2017

SUBJECT: Traffic Control Orders P-16-04; P-16-05; S-16-02; S-16-03; S-16-04; S-16-05

This past summer, Ohio Street was reconstructed. During project development, the Engineering Department held a neighborhood meeting with residents of Ohio Street to discuss the project. During the neighborhood meeting, residents requested that parking be permitted on the north side of the street. Some time ago, parking had been restricted on Ohio Street because high school students were using the street as overflow parking. Based on the request from residents, the Engineering Department reviewed the parking in the area and found the parking lots at Midland High School were currently not being fully utilized on school days. It was determined that allowing parking on one side of the street could be permitted. Construction activities over the summer restricted parking due to the nature of the work. The no parking signs were removed on October 21, 2016.

Cars parked along Schade Drive near Wackerly Street were impeding traffic entering Schade Drive from Wackerly due to the narrowness of the street. We received complaints about this congestion from residents. A subsequent review of the area by our traffic engineer determined that parking should be prohibited on Schade Drive. The parking prohibition signs were placed on November 11, 2016.

A resident on Woodview Pass requested review of three intersections along Woodview Pass. These were Courtside Drive, Foxwood Drive, and Woodview Court. The City consulting traffic engineer reviewed the intersections and evaluated them based on the guidance from the Federal Highway Administration and other safety organizations. It was found that all of the intersections had limited sight distance in at least one of the quadrants of each intersection. It was recommended to install stop control on at least one quadrant of each intersection. The stop signs were placed on November 10, 2016.

A resident on Foster Road requested review of the intersection of Pine Haven Circle and Foster Road. The City consulting traffic engineer reviewed the intersection and evaluated it based on the guidance from the Federal Highway Administration and other safety organizations. It was determined that based on the geometry of the intersection that Pine Haven should "Yield" to Foster Road. A yield sign was installed on November 10, 2016.

The traffic control orders have been in place the required trial period. The traffic control actions undertaken are described in the attached resolutions and would become permanent upon acceptance by the City Council. We have not received any adverse comments regarding the traffic control orders.



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BY COUNCILMAN

RESOLVED, that Traffic Control Order No. P-16-04 filed October 21, 2016 pursuant to Chapter 24 of the Code of Ordinances to establish traffic control as follows:

That all day parking, from 6:00 a.m. to 3:00 a.m., shall be permitted on the north side of Ohio Street between Carolina Street and Tennessee Street (partially rescinds P-99-09).

is hereby made permanent.

YEAS:

NAYS:

ABSENT:

I, Selina Tisdale, City Clerk, City of Midland, Counties of Bay and Midland, State of Michigan, do hereby certify that the foregoing is a true and correct copy of a resolution adopted by a yeas vote of all the Councilmen present at a regular meeting of the City Council held Monday, January 23, 2017.

Selina Tisdale, City Clerk



City Hall ♦ 333 West Ellsworth Street ♦ Midland, Michigan 48640-5132 ♦ 989.837.3300 ♦ 989.835.2717 Fax

BY COUNCILMAN

RESOLVED, that Traffic Control Order No. P-16-05 filed November 11, 2016 pursuant to Chapter 24 of the Code of Ordinances to establish traffic control as follows:

That parking shall be prohibited on the west side of Schade Drive from Oakfield Drive to 125 feet south of W. Wackerly Street.

Also, that parking shall be prohibited between the hours of 7:00 a.m. and 6:00 p.m., Monday through Friday, on the east side of Schade Drive from Oakfield Drive to 125 feet south of W. Wackerly Street.

Also, that Traffic Control Order P-03-10 shall be rescinded.

is hereby made permanent.

YEAS:

NAYS:

ABSENT:

I, Selina Tisdale, City Clerk, City of Midland, Counties of Bay and Midland, State of Michigan, do hereby certify that the foregoing is a true and correct copy of a resolution adopted by a yea vote of all the Councilmen present at a regular meeting of the City Council held Monday, January 23, 2017.

Selina Tisdale, City Clerk



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BY COUNCILMAN

RESOLVED, that Traffic Control Order No. S-16-02 filed November 10, 2016 pursuant to Chapter 24 of the Code of Ordinances to establish traffic control as follows:

That Courtside Drive shall stop for Woodview Pass.

is hereby made permanent.

YEAS:

NAYS:

ABSENT:

I, Selina Tisdale, City Clerk, City of Midland, Counties of Bay and Midland, State of Michigan, do hereby certify that the foregoing is a true and correct copy of a resolution adopted by a yea vote of all the Councilmen present at a regular meeting of the City Council held Monday, January 23, 2017.

Selina Tisdale, City Clerk



City Hall ♦ 333 West Ellsworth Street ♦ Midland, Michigan 48640-5132 ♦ 989.837.3300 ♦ 989.835.2717 Fax

BY COUNCILMAN

RESOLVED, that Traffic Control Order No. S-16-03 filed November 10, 2016 pursuant to Chapter 24 of the Code of Ordinances to establish traffic control as follows:

That Foxwood Drive shall stop for Woodview Pass.

is hereby made permanent.

YEAS:

NAYS:

ABSENT:

I, Selina Tisdale, City Clerk, City of Midland, Counties of Bay and Midland, State of Michigan, do hereby certify that the foregoing is a true and correct copy of a resolution adopted by a yea vote of all the Councilmen present at a regular meeting of the City Council held Monday, January 23, 2017.

Selina Tisdale, City Clerk



City Hall ♦ 333 West Ellsworth Street ♦ Midland, Michigan 48640-5132 ♦ 989.837.3300 ♦ 989.835.2717 Fax

BY COUNCILMAN

RESOLVED, that Traffic Control Order No. S-16-04 filed November 10, 2016 pursuant to Chapter 24 of the Code of Ordinances to establish traffic control as follows:

That Woodview Court shall stop for Woodview Pass.

is hereby made permanent.

YEAS:

NAYS:

ABSENT:

I, Selina Tisdale, City Clerk, City of Midland, Counties of Bay and Midland, State of Michigan, do hereby certify that the foregoing is a true and correct copy of a resolution adopted by a yea vote of all the Councilmen present at a regular meeting of the City Council held Monday, January 23, 2017.

Selina Tisdale, City Clerk



City Hall ♦ 333 West Ellsworth Street ♦ Midland, Michigan 48640-5132 ♦ 989.837.3300 ♦ 989.835.2717 Fax

BY COUNCILMAN

RESOLVED, that Traffic Control Order No. S-16-05 filed November 10, 2016 pursuant to Chapter 24 of the Code of Ordinances to establish traffic control as follows:

That Pine Haven Circle shall “Yield” to Foster Road.

is hereby made permanent.

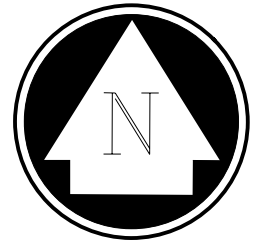
YEAS:

NAYS:

ABSENT:

I, Selina Tisdale, City Clerk, City of Midland, Counties of Bay and Midland, State of Michigan, do hereby certify that the foregoing is a true and correct copy of a resolution adopted by a yea vote of all the Councilmen present at a regular meeting of the City Council held Monday, January 23, 2017.

Selina Tisdale, City Clerk



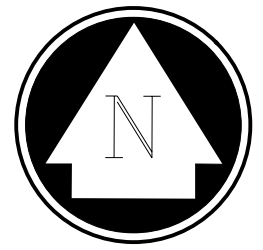
CAROLINA

OHIO

P-16-04

TENNESSEE

LOCATION MAP
FOR TRAFFIC CONTROL ORDER NO.
P-16-04



WACKERLY

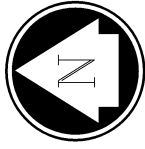
SCHADE

P-16-05

OAKFIELD

LOCATION MAP

FOR TRAFFIC CONTROL ORDER NO.
P-16-05



WACKERLY ST

SHIREWOOD CIR

LN

INVERNESS

TENNIS

WIMBLEDON

COURTSIDE

S-16-02



FOXWOOD

WOODVIEW

MONTAGUE

TIMBER DR

EVART

EVERGREEN ST

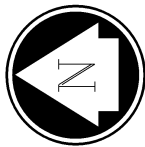
WILDWOOD ST

CHapel LANE

LOCATION MAP

FOR TRAFFIC CONTROL ORDER NO.

S-16-02



WACKERLY ST

SHIREWOOD CIR

LN

COURTSIDE

WOODVIEW

FOXWOOD



S-16-03

MONTAGUE

EVERGREEN ST

EVART

TIMBER DR

WILDWOOD ST

WIMBLEDON

TENNIS

INVERNESS

CIR.

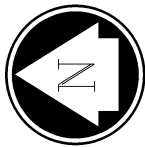
DR

CHAPEL LANE

LOCATION MAP

FOR TRAFFIC CONTROL ORDER NO.

S-16-03



WACKERLY ST

SHIREWOOD CIR

LN

COURTSIDE

WOODVIEW



S-16-04

FOXWOOD

MONTAGUE

EVERGREEN ST

EVART

TIMBER DR

WILDWOOD ST

WIMBLEDON

TENNIS

INVERNESS

CIR.

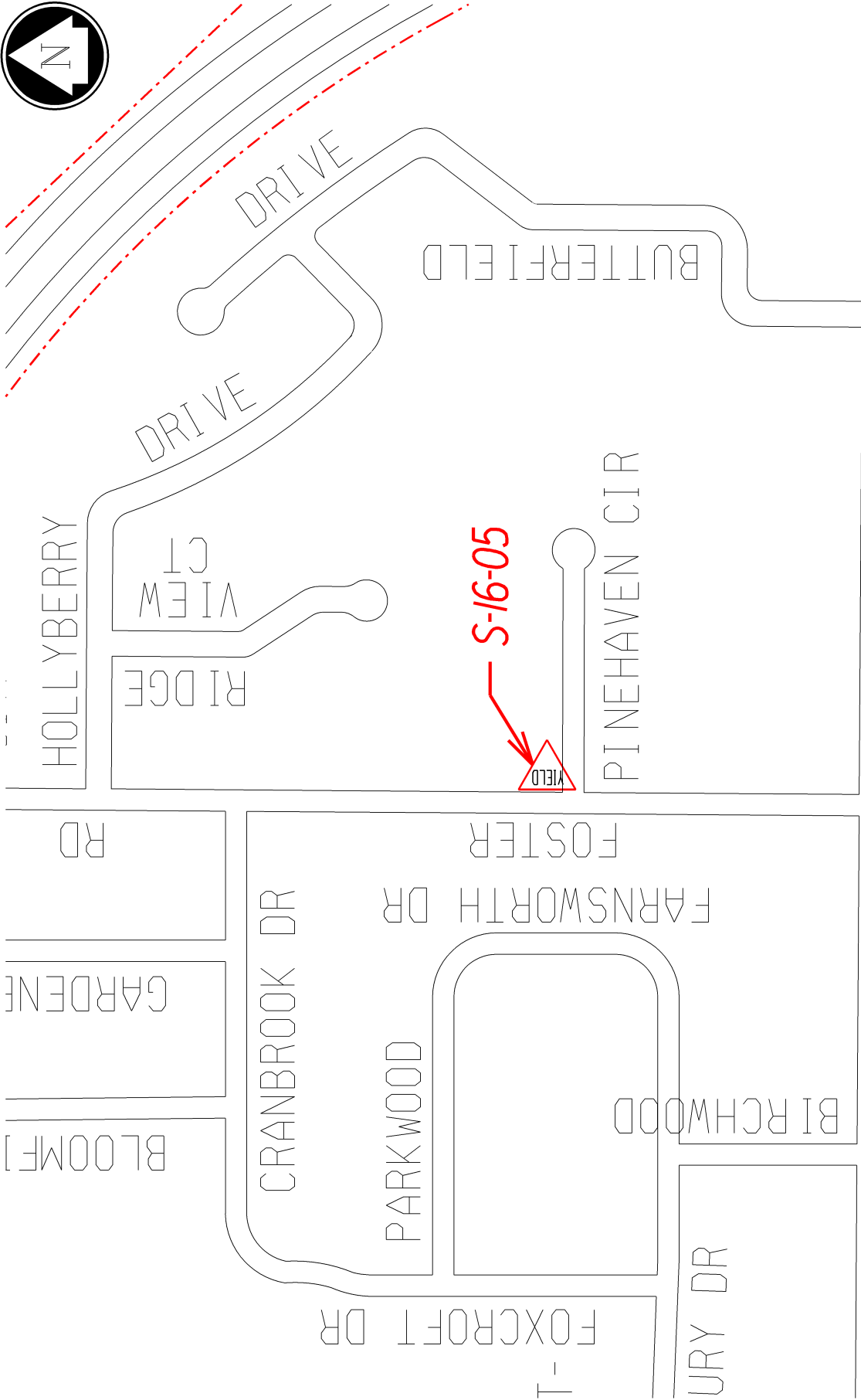
DR

CHAPEL LANE

LOCATION MAP

FOR TRAFFIC CONTROL ORDER NO.

S-16-04



LOCATION MAP

FOR TRAFFIC CONTROL ORDER NO.
S-16-05

Backup material for agenda item:

9. * Approving the request of the Safe & Sound Child Advocacy Center to conduct a Superhero 5k Fun Run & Walk on Saturday, May 6. MCMANUS

SUMMARY REPORT TO CITY MANAGER
for City Council Meeting of January 23, 2017

SUBJECT: SUPERHERO 5K FUN RUN & WALK

INITIATED BY: City of Midland Engineering Department

RESOLUTION SUMMARY:

The attached resolution approves the request from Stephanie Parker, Safe & Sound Child Advocacy Center, to conduct a Superhero 5k Fun Run & Walk on Saturday, May 6, 2017.

ITEMS ATTACHED:

1. Letter of transmittal
2. Event application
3. Resolution

CITY COUNCIL ACTION:

3/5 vote required to approve resolution

SUBMITTED BY: Brian McManus, City Engineer



City Hall ♦ 333 West Ellsworth Street ♦ Midland, Michigan 48640-5132 ♦ 989.837.3300 ♦ 989.835.2717 Fax

January 17, 2017

Jon Lynch, City Manager
City of Midland
Midland, MI 48640

Dear Mr. Lynch:

Attached please find a request from Stephanie Parker, Safe & Sound Child Advocacy Center, to conduct a Superhero 5k Fun Run & Walk on Saturday, May 6, 2017, utilizing the Rail Trail. The Administrative Staff has reviewed the request and recommends approval subject to the following conditions:

- The responsible party and contact number for the event date is Stephanie Parker, 989-835-9922.
- Use of the Rail Trail is non-exclusive and **no markings of any type** (i.e., paint, spray paint, spray chalk, chalk, etc.) are permitted on the trail route surfaces.
- Participants must remain on the Rail Trail and obey all traffic laws and traffic control devices as well as the Rail Trail Etiquette/Rules attached.
- Trail must be cleaned up afterwards to remove any litter.
- Organizer must provide “Traffic Control Monitors” at intersections of Main Street with Currie Parkway and Orchard Drive (Emerson Park entrance). City will provide limited traffic barricades to be used by “Traffic Control Monitors”. Traffic Control Monitors must wear safety vests provided by the City. Two weeks prior to the event, organizer and supervisor of Traffic Control Monitors shall meet with City Right-of-Way Inspector, Tom Hoblet (837-3355) for awareness training. These volunteers must monitor the intersections and move barricades for cars and passage of emergency vehicles as needed, when runners are not present.
- The Police Department will monitor the event on regular patrol.

Attached for your consideration is a resolution which will grant approval of the request. The resolution also grants authority to the Administrative Staff to approve future requests if conducted in substantially the same manner.

If you have any questions, please do not hesitate to contact me.

Sincerely,

Brian P. McManus
City Engineer

BPM:pp

Enclosure

Event Application

Thank you for submitting an event request with the City of Midland. Please fill out the information below and submit. A staff member will be in touch with you shortly.

Sponsoring Organization	Safe & Sound Child Advocacy Center
Contact Person/Position	Stephanie Parker
Please describe your organization	Child Advocacy Center
Non-Profit Organization?	Yes
Phone Number	989-835-9922
Email	parker@safeandsoundcac.org
Address1	2716 Jefferson Avenue
City	Midland
State	MI
Zip	48640
Name of Proposed Event	SuperHero 5k Fun Run & Walk
Brief Description of Event	Fun Run and Walk
Requested Date(s) of Use	Saturday, May 06, 2017
Requested Time(s) of Use	3:00 pm-8:00 pm
Is this a Repeat Event?	Yes
Set Up to Begin	3:00 pm
Duration of Event	5 hours
Clean Up to End	8:00pm
Requested Location	Tridge-Rail Trail
Will You Charge Admission?	Yes

No. Participants Expected?	500
What type of event are you hosting?	Run/Walk
Will you be utilizing tents and if so, what size are your tents?	N/A
Street Closures: Are you requesting any street closures?	Yes
Times Streets Closed	4 pm
Times Streets Reopened	6pm
Please describe your street closure requests:	We will need to have Currie Pkwy at Main closed.
Will you apply to serve alcohol?	No
Concessions: Who will provide?	We will provide water
What are your electrical needs?	We will need electricity in order to support the DJ's system
Will you be utilizing amplified sound?	Yes
How will sound be amplified?	DJ/Microphone
Will you be providing additional restroom facilities above what is already offered at the requested location? If so, who will be providing this service?	no
If you are holding your event in a park, will you	No

be reserving a park shelter for your event?

The City of Midland offers equipment rental for a fee based on availability. Are you interested in utilizing any of the following?

Other

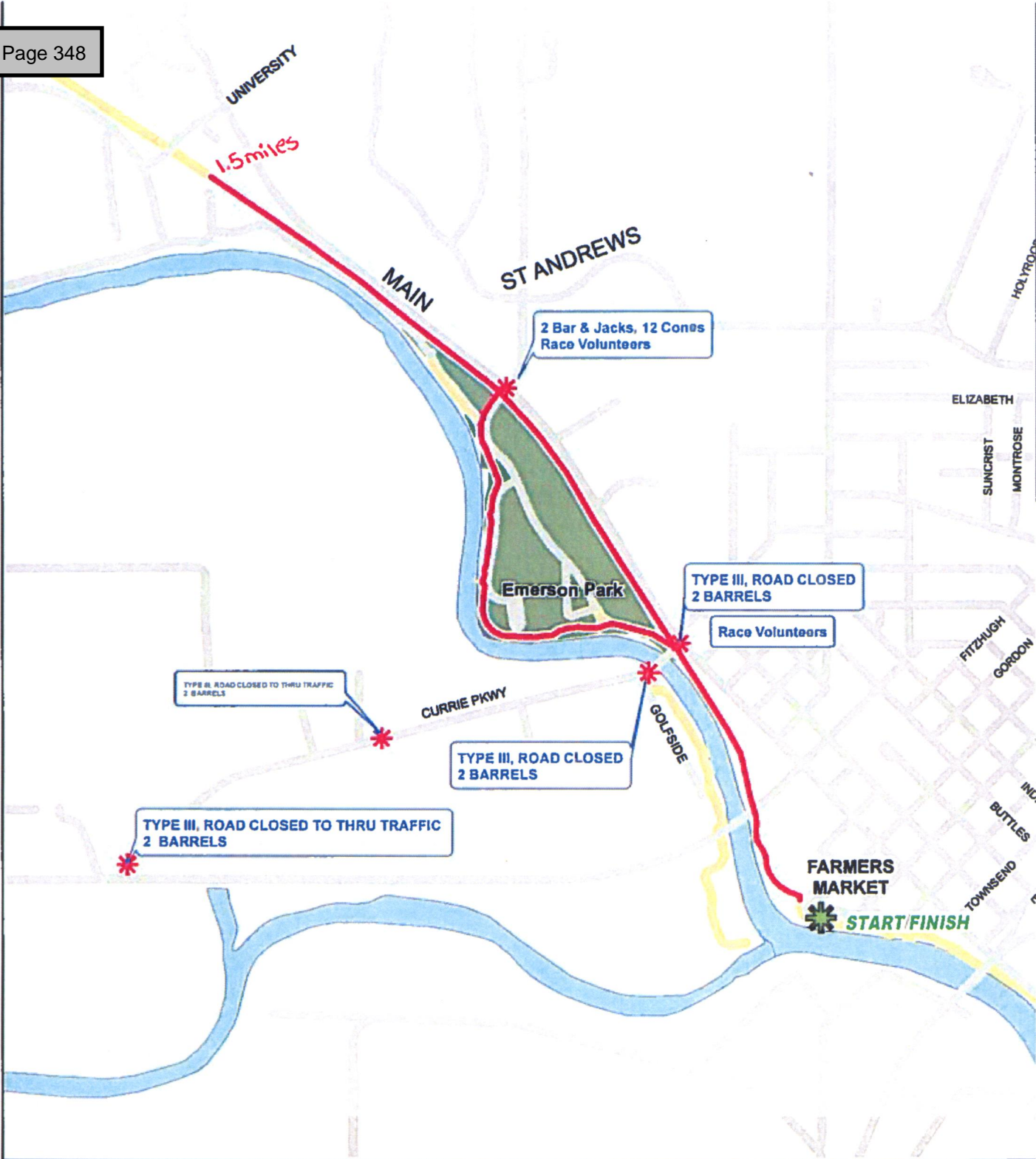
Other Requests: Please note that other elements of your event may require additional approval. Do you have additional requests (i.e. fireworks, etc.)?

n/a

Equipment rental fees must be paid in advance of event. The organization representative may receive an invoice for additional City services after completion of the event based on the final utilization of staff and resources. Please be aware that other elements of your event may require additional approval.

A map, sketch of event layout, race route or other map must be included with this application.

Field not completed.



If Emerson Park is flooded, We will Stick Strictly to the Rail Trail as marked on the map Above.



City Hall ♦ 333 West Ellsworth Street ♦ Midland, Michigan 48640-5132 ♦ 989.837.3300 ♦ 989.835.2717 Fax

BY COUNCILMAN

RESOLVED, that the request from Stephanie Parker, Safe & Sound Child Advocacy Center, to conduct a Superhero 5k Fun Run & Walk on Saturday, May 6, 2017, utilizing the Rail Trail, is hereby approved subject to the following conditions:

- The responsible party and contact number for the event date is Stephanie Parker, 989-835-9922.
- Use of the Rail Trail is non-exclusive and **no markings of any type** (i.e., paint, spray paint, spray chalk, chalk, etc.) are permitted on the trail route surfaces.
- Participants must remain on the Rail Trail and obey all traffic laws and traffic control devices as well as the Rail Trail Etiquette/Rules attached.
- Trail must be cleaned up afterwards to remove any litter.
- Organizer must provide “Traffic Control Monitors” at intersections of Main Street with Currie Parkway and Orchard Drive (Emerson Park entrance). City will provide limited traffic barricades to be used by “Traffic Control Monitors”. Traffic Control Monitors must wear safety vests provided by the City. Two weeks prior to the event, organizer and supervisor of Traffic Control Monitors shall meet with City Right-of-Way Inspector, Tom Hoblet (837-3355) for awareness training. These volunteers must monitor the intersections and move barricades for cars and passage of emergency vehicles as needed, when runners are not present.
- The Police Department will monitor the event on regular patrol.

; and

RESOLVED FURTHER, that the Administrative Staff is hereby authorized to approve future requests for the event provided it is conducted in substantially the same manner.

YEAS:

NAYS:

ABSENT:

I, Selina Tisdale, City Clerk, City of Midland, Counties of Bay and Midland, State of Michigan, do hereby certify that the foregoing is a true and correct copy of a resolution adopted by a yea vote of all the Councilmen present at a regular meeting of the City Council held Monday, January 23, 2017.

Selina Tisdale, City Clerk

Bike/Walk Midland: Rail Trail Etiquette

At nearly every road crossing along the Pere Marquette Rail-Trail there is a list of proper use: Rail Trail Etiquette. The list is as follows:

- Keep right except to pass
- Alert others when passing by using voice or bell
- Yield to slower traffic
- Always travel at safe speeds
- Don't block the trail
- Dogs must be on a leash
- Please help keep the trail clean

Experience shows that if everyone followed these guidelines there would be few user conflicts and trail use would be enjoyable for all. Unfortunately not everyone does and problems result.

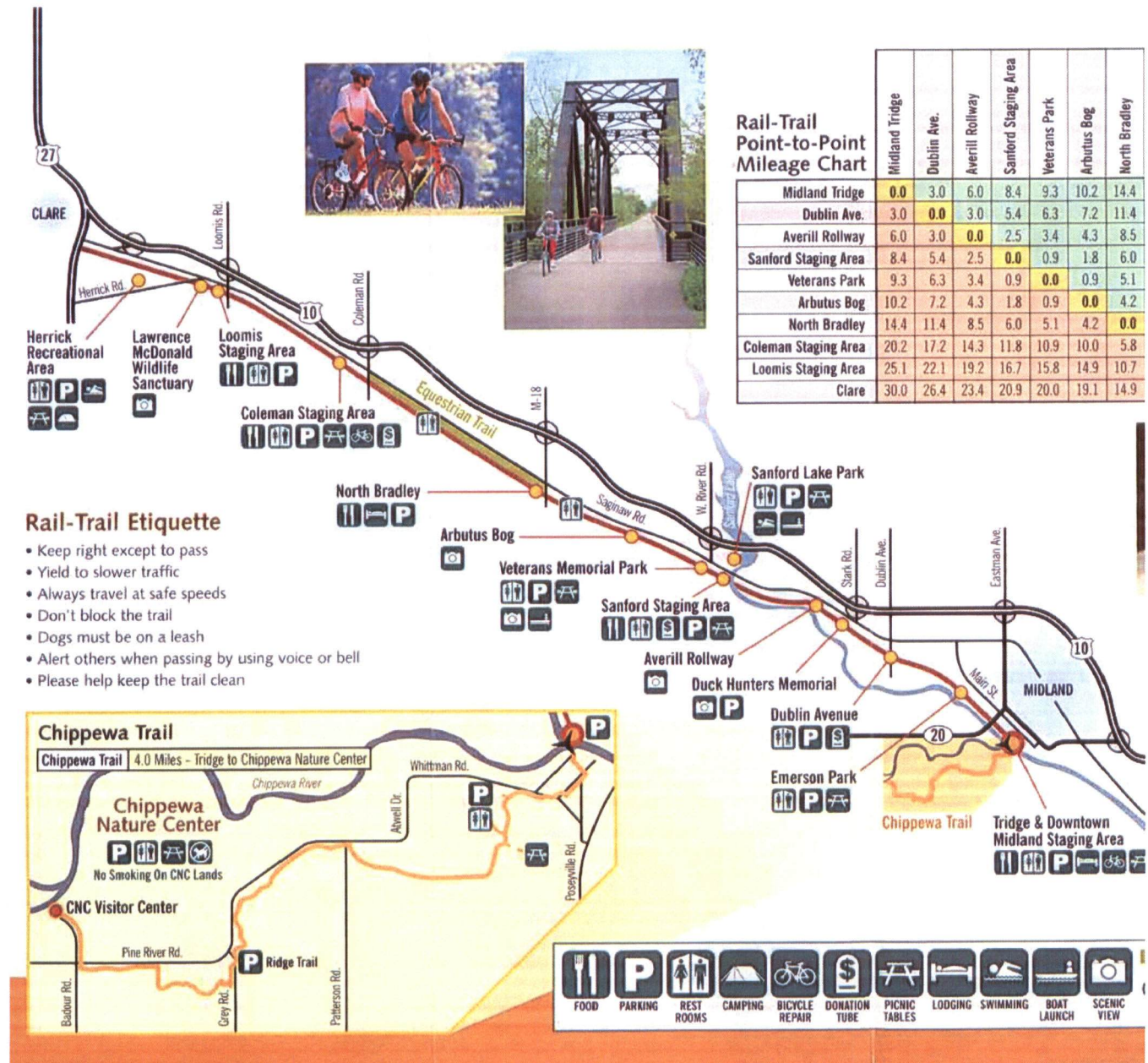
Some examples:

- Bicyclists not moving far left when passing walkers or in-line skaters
- Users not moving right when alerted to a passing bicyclist or seeing someone coming in the other direction
- Trail users not staying as far to the right as possible, sometimes even staying left and going against traffic
- People stopping at intersections and on bridges and blocking the narrowest parts of the trail
- Bicyclists not announcing that they are passing
- Headphone users who cannot hear when a passing bicyclist gives warning
- Dogs not on a leash or walking on the opposite side of the trail from their owner (with the leash "clothes-lined" across the path)
- Dog owners not cleaning up after their pets

The fix for most of these problems is simple common sense and maybe even stopping to read that list on the back of the signs at the road crossings. It's easy to get lost in your thoughts on a quiet stretch of the trail but everyone needs to remember that there are other users coming along all the time. While it may seem idyllic and isolated, in some ways the trail is like any other highway, and all users need to be alert, courteous, and cautious.

When everyone follows the rules, everyone can get along.

For more information: <http://www.midland-mi.org/government/departments/planning/Planning/NMTCommittee.htm>



[BACK to PMRT HOME](#)

Backup material for agenda item:

10. * 2017 Bayliss Street Reconstruction and Water Main; Contract No. 2.
MCMANUS

SUMMARY REPORT TO THE CITY MANAGER

for Council Meeting of January 23, 2017

SUBJECT: 2017 BAYLISS STREET RECONSTRUCTION & WATER MAIN;
CONTRACT NO. 2

INITIATED BY: City of Midland Engineering Department

RESOLUTION SUMMARY: This resolution authorizes the Mayor and City Clerk to execute a contract with Sova Excavating & Trucking Inc.

ITEMS ATTACHED:

1. Cover Letter
2. Resolution
3. Location Map

CITY COUNCIL ACTION: 3/5 vote required to approve resolution

SUBMITTED BY: Brian P. McManus, City Engineer



City Hall ♦ 333 West Ellsworth Street ♦ Midland, Michigan 48640-5132 ♦ 989.837.3300 ♦ 989.835.2717 Fax

January 16, 2017

Jon Lynch, City Manager
City of Midland, Michigan

Dear Mr. Lynch:

On Tuesday, December 20, 2016 at 2:00 p.m., sealed proposals were publicly opened and read by the Senior Procurement Accountant for the "2017 Bayliss Street Reconstruction and Water Main; Contract No. 2".

There were 7 individuals attending the opening representing vendors and the City.

Bids were received as follows:

Sova Excavating & Trucking Inc.	Midland, MI	\$300,198.50
McGuirk Sand-Gravel Inc.	Mt. Pleasant, MI	\$303,189.95
Eric Construction Inc.	St. Charles, MI	\$303,600.00
Pat's Gradall Service Inc.	Midland, MI	\$303,828.00
Shaw Contracting Co.	Kawkawlin, MI	\$304,592.25
Crawford Contracting Inc.	Mt. Pleasant, MI	\$307,014.13
Tri-City Groundbreaking Inc.	Midland, MI	\$326,330.00

This project was recommended by Engineering, the Department of Public Services and the Water Department and approved by City Council during the annual Construction Project Priorities process with funding provided by the Local Street and Water Funds. This contract is for street reconstruction and water main replacement on Bayliss Street from Jefferson to Dartmouth.

It is our recommendation that low bid submitted by Sova Excavating & Trucking Inc. of Midland, Michigan in the amount of \$300,198.50 be accepted in the best interest of the City of Midland.

Respectfully submitted,

Brian P. McManus, City Engineer

Tiffany Jurgess, Interim Assistant Controller



City Hall ♦ 333 West Ellsworth Street ♦ Midland, Michigan 48640-5132 ♦ 989.837.3300 ♦ 989.835.2717 Fax

BY COUNCILMAN

WHEREAS, sealed proposals have been advertised and received in accord with Article II of Chapter 2 of the Midland Code of Ordinances for street reconstruction and water main replacement on Bayliss Street; and

WHEREAS, funding for this project is provided by the Local Street and Water Funds; now therefore

RESOLVED, that the low sealed proposal submitted by Sova Excavating & Trucking Inc. of Midland, Michigan for the "2017 Bayliss Street Reconstruction & Water Main; Contract No. 2", in the amount of \$300,198.50 is hereby accepted and the Mayor and the City Clerk are authorized to execute a contract therefore in accord with the proposal and the City's specifications; and

RESOLVED FURTHER, that the City Manager has the authority to approve change orders modifying or altering this contract in an aggregate amount not to exceed \$20,000.

YEAS:

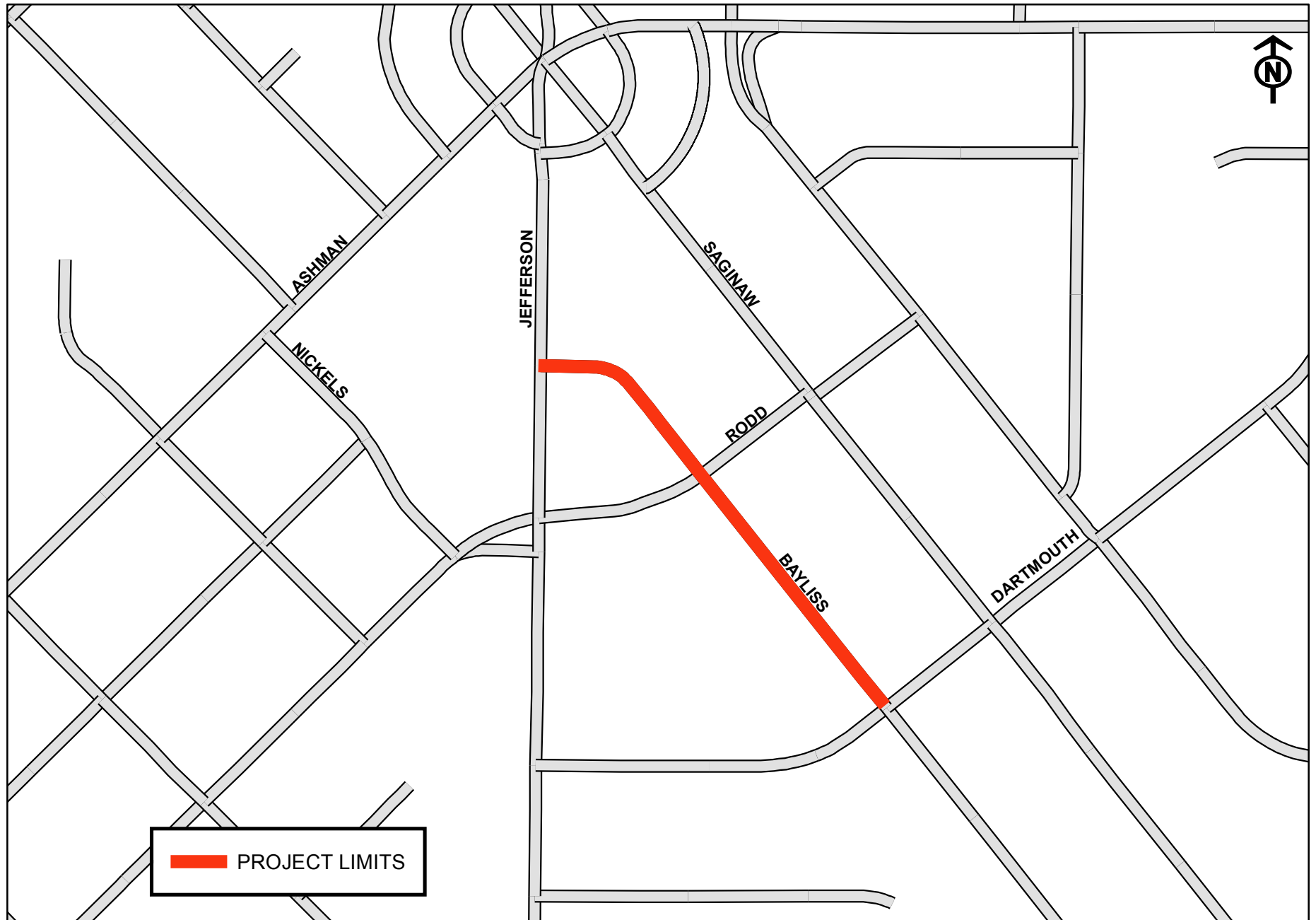
NAYS:

ABSENT:

I, Selina Tisdale, City Clerk, City of Midland, Counties of Bay and Midland, State of Michigan, do hereby certify that the foregoing is a true and correct copy of a resolution adopted by a yea vote of all the Councilmen present at a regular meeting of the City Council held Monday, January 23, 2017.

Selina Tisdale, City Clerk

2017 BAYLISS STREET RECONSTRUCTION & WATER MAIN CONTRACT NO. 2



Backup material for agenda item:

11. * Light Duty Vehicle purchase. MURPHY

SUMMARY REPORT TO MANAGER

For City Council Meeting of January 23, 2017

SUBJECT: Purchase of Light Duty Vehicle

INITIATED BY: Department of Public Services

RESOLUTION SUMMARY: This resolution authorizes a purchase order to Signature Ford of Owosso, Michigan in the amount of \$31,299 for one Ford F-450 4x2 cab and chassis truck based on the State of Michigan's Extended Purchasing Program pricing.

ITEMS ATTACHED:

1. Transmittal letter to City Manager
2. Resolution

CITY COUNCIL ACTION:

1. 3/5 vote required to approve resolution

Karen Murphy
Director of Public Services



January 11, 2017

Jon Lynch
City Manager
Midland, Michigan

RE: Purchase of light duty vehicle

The State of Michigan's Extended Purchasing Program solicits bids for light and medium duty vehicles on a bi-annual basis. Vendors statewide are eligible to submit bids through these programs. Staff experience has shown that the bid prices from these bids are lower than what could be solicited locally, and the City of Midland is authorized to make purchases from the State of Michigan Extended Purchasing Program.

The vehicle scheduled for purchase at this time is a replacement funded through the Equipment Revolving Fund. Each year, the Fleet Manager along with the Vehicle Maintenance Supervisor re-evaluate the condition, mileage, age and maintenance cost of every vehicle in the fleet to determine whether it is cost-effective to keep the vehicle in the fleet for an additional period of time or whether the vehicle needs to be replaced.

Unit 3-53, a Department of Public Services vehicle with a lift gate used primarily for hauling barricades and collecting heavy appliances, has been budgeted for replacement this year due to high mileage, poor condition and age of the vehicle. This vehicle has been deemed in need of replacement and will be replaced with a like unit. Unit 3-53 will be sold via on-line auction once the replacement unit is put into service.

Sufficient funds are included in the FY 2016/17 Equipment Revolving Fund for the purchase of the vehicle. Therefore, we recommend that the Interim Assistant Controller be authorized to issue a purchase order to the State of Michigan's selected vendor Signature Ford of Owosso, Michigan, in the amount of \$31,299 for one Ford F-450 4x2 cab and chassis truck.

Respectfully submitted,

Karen Murphy
Director of Public Services

Tiffany Jurgess
Interim Assistant Controller



Department of Public Services ♦ 4811 North Saginaw Road ♦ Midland, Michigan 48640 ♦ 989.837.6900 ♦ 989.835.5651 Fax ♦ www.cityofmidlandmi.gov

BY COUNCILMAN

WHEREAS, bids for light and medium duty vehicles are solicited by the State of Michigan's Extended Purchasing Program on a bi-annual basis, and the City of Midland is authorized to make purchases from this program; and

WHEREAS, sufficient funding for the purchase of one cab and chassis 4x2 truck is included in the FY 2016/17 Equipment Revolving Fund for Capital Outlay to replace unit 3-53, an aging, high maintenance unit deemed in need of replacement; now therefore

RESOLVED, that the Interim Assistant Controller is authorized to issue a purchase order to the State of Michigan's selected vendor Signature Ford of Owosso, Michigan in the amount of \$31,299 for one Ford F-450 cab and chassis 4x2 truck, all in accordance with the State of Michigan's Extended Purchasing Program's proposal and specifications.

YEAS:

NAYS:

ABSENT:

I, Selina Tisdale, City Clerk, City of Midland, Counties of Bay and Midland, State of Michigan, do hereby certify that the foregoing is a true and correct copy of a resolution adopted by a yeas vote of all the Councilmen present at a regular meeting of the City Council held Monday, January 23, 2017.

Selina Tisdale, City Clerk

Backup material for agenda item:

12. * Winter Blend Diesel Fuel purchase from January 11 (4/5 vote required).
MURPHY

SUMMARY REPORT TO MANAGER
For City Council Meeting of January 23, 2017

SUBJECT: Approve Fuel Purchase from January 11, 2017

RESOLUTION SUMMARY: This resolution waives the requirement for sealed proposals and approves the purchase of 12,701 gallons of Winter Blend diesel fuel from Paxson Oil for \$20,628.96 that was executed by the Interim Assistant Controller on January 11, 2017.

ITEMS ATTACHED:

1. Transmittal letter to City Manager
2. Resolution

CITY COUNCIL ACTION:

1. 4/5 vote required to approve resolution

Karen Murphy
Director of Public Services

KMR



Midland

Department of Public Services ♦ 4811 North Saginaw Road ♦ Midland, Michigan 48640 ♦ 989.837.6900 ♦ 989.835.5651 Fax ♦ www.cityofmidlandmi.gov

January 16, 2017

Jon Lynch
City Manager
Midland, Michigan

RE: Approve fuel purchase made on January 11, 2017

At their December 17, 2007 meeting, City Council adopted a resolution that allows for the purchase of full tankers of unleaded gasoline and diesel fuel exceeding \$20,000, and seek approval for the purchase at the next available Council meeting. Fuel is ordered on an as needed basis to maintain an adequate supply to meet the demand of the city fleet as well as to keep a reserve on hand to cover any unanticipated increase in usage. This process was reviewed by City Council on December 21, 2009 and is still deemed to provide significant cost savings to the City.

Fuel is purchased through a competitive bid process whereby the Interim Assistant Controller faxes out a request for a price per gallon for unleaded and/or diesel fuel to a list of fuel suppliers. Interested suppliers fax back their prices the following morning. Due to the volatility of the fuel market, pricing is only valid for the remainder of that day. The fuel purchase is awarded to the lowest price supplier, and the fuel delivery is scheduled for that same day.

It should be noted that approval of fuel purchases will require a 4/5 vote due to the need to waive the requirement for sealed proposals as a result of the above-described bidding process.

Bids were received using this process on January 11, 2017 for 12,701 gallons of Winter Blend diesel fuel. Bids were received as follows:

Paxson Oil, Saginaw, MI	Winter Blend Diesel	\$1.6242/gallon
Tri-Lakes Petroleum, Alma, MI	Winter Blend Diesel	\$1.6620/gallon
Michigan Petroleum, Port Huron, MI	Winter Blend Diesel	\$1.6640/gallon
Super Flite Oil, Saginaw, MI	Winter Blend Diesel	\$1.6660/gallon
Hirschman Oil, Reese, MI	Winter Blend Diesel	\$1.6950/gallon

The low bid was received from Paxson Oil of Saginaw, Michigan, with a price of \$1.6242 per gallon. The unit price includes the delivery charge, and the total purchase price was \$20,628.96 for 12,701 gallons of fuel delivered.

We are requesting that Council waive the requirements for sealed bids, and approve the purchase of 12,701 gallons of Winter Blend diesel fuel from Paxson Oil for \$20,628.96 that was executed by the Interim Assistant Controller on January 11, 2017.

Respectfully submitted,

Karen Murphy
Director of Public Services
MMR

Tiffany Jurgess
Interim Assistant Controller



BY COUNCILMAN

WHEREAS, City Council adopted a resolution on December 17, 2007 that allows for the purchase of full tankers of unleaded gasoline and diesel fuel exceeding \$20,000, and seek approval for the purchase at the next City Council meeting; and

WHEREAS, City Council reviewed the process on December 21, 2009 and decided to continue as it still provides a significant cost savings to the City; and

WHEREAS, the volatility of the fuel market does not allow for staff to follow the usual sealed bid process for purchases exceeding \$20,000; and

WHEREAS, staff instead uses a competitive bid process whereby fuel vendors fax in prices that are valid for a particular day with the bid awarded to the lowest priced vendor; now therefore

RESOLVED, that the requirements for sealed proposals for the purchase of fuel are waived due to the volatility of the fuel market; and

RESOLVED FURTHER, that the purchase of 12,701 gallons of Winter Blend diesel fuel from Paxson Oil of Saginaw, Michigan for \$20,628.96 executed by the Interim Assistant Controller on January 11, 2017, is hereby approved.

YEAS:

NAYS:

ABSENT:

I, Selina Tisdale, City Clerk, City of Midland, Counties of Bay and Midland, State of Michigan, do hereby certify that the foregoing is a true and correct copy of a resolution adopted by a yea vote of all the Councilmen present at a regular meeting of the City Council held Monday, January 23, 2017.

Selina Tisdale, City Clerk

Backup material for agenda item:

13. * ESRI Geographic Information System Software Maintenance and Support Services (4/5 vote required). UNDERHILL

SUMMARY REPORT TO CITY MANAGER
FOR THE CITY COUNCIL MEETING OF JANUARY 23, 2017

SUBJECT: ESRI software maintenance and support services.

INITIATED BY: Tadd Underhill
Information Services Manager

RESOLUTION SUMMARY: This resolution will approve the purchase of software maintenance and support services from ESRI in the amount of \$105,000 to be paid in annual installments of \$35,000.

ITEMS ATTACHED:

1. Cover Letter to City Council
2. Resolution approving the purchase of ESRI systems software maintenance and support services.
3. Enterprise license agreement

CITY COUNCIL ACTION:

1. Approval requires a 4/5 vote

Tadd H Underhill
Information Services Manager



City Hall ♦ 333 West Ellsworth Street ♦ Midland, Michigan 48640 ♦ 989.837.3300 * 989.837.2717 Fax ♦ www.midland-mi.org

January 16, 2017

Jon Lynch, City Manager
City of Midland, Michigan

Dear Mr. Lynch:

ESRI provides the Geographic Information System (GIS) software used by the City of Midland. The City receives support and updates through a three-year license agreement with an annual payment made from funds budgeted in the Information Services Department Fund line item entitled Computer Software. Since ESRI is the software supplier, the maintenance can only come from them and therefore this is a sole source purchase.

The three-year license is due for renewal, and maintains the same cost structure and licensing options as the original agreement approved by City Council in March 2008. The renewal document has been included for your review.

In accordance with Section 2-18 of the Code of Ordinances, we request that City Council waive the requirement for competitive bids and authorize the Mayor and City Clerk to renew the three-year agreement with ESRI in the amount of \$105,000 for software maintenance to be paid in three annual installments of \$35,000. Sufficient funding exists in the Information Services Operations Fund, and its 2016-17 budget includes sufficient appropriations to pay the 2016-17 expenditures.

Respectfully submitted,

RECOMMENDED BY:

Tadd H Underhill
Information Services Manager

Tiffany Jurgess
Interim Assistant Controller



City Hall ♦ 333 West Ellsworth Street ♦ Midland, Michigan 48640 ♦ 989.837.3300 * 989.837.2717 Fax ♦ www.midland-mi.org

BY COUNCILMAN

WHEREAS, the ESRI three-year Geographic Information System (GIS) software maintenance and support subscription is due for renewal; and

WHEREAS, software maintenance and support is directly provided by the manufacturer and is considered sole source; and

WHEREAS, sufficient funding exists in the Information Services GIS Fund, and its 2016-17 budget includes sufficient appropriations to pay the 2016-17 expenditures; now therefore

RESOLVED, that in accordance with Section 2-18 of the Code of Ordinances, the City Council hereby authorizes the Mayor and City Clerk to renew the three-year agreement with ESRI in the amount of \$105,000 to be paid in three annual installments of \$35,000 for maintenance and support services.

YEAS:

NAYS:

ABSENT:

I, Selina Tisdale, City Clerk, City of Midland, Counties of Bay and Midland, State of Michigan, do hereby certify that the foregoing is a true and correct copy of a resolution adopted by a yea vote of all the Councilmen present at a regular meeting of the City Council held Monday, January 23, 2017.

Selina Tisdale, City Clerk

ENVIRONMENTAL SYSTEMS RESEARCH INSTITUTE, INC.
221 North LaSalle Street, Suite 863
Chicago, IL 60601
Phone: 312-609-0966 Fax: 909-307-3049
DUNS Number: 06-313-4175 CAGE Code: 0AMS3

To expedite your order, please attach a copy of this quotation to your purchase order.
Quote is valid from: 12/27/2016 To: 03/27/2017

Quotation # 20499705

Date: December 27, 2016

Customer # 154865 Contract #

City of Midland
 Information Services
 333 W Ellsworth St
 Midland, MI 48640-5132

ATTENTION: Daniel Brumm
PHONE: (989) 837-3363
FAX:

Material	Qty	Description	Unit Price	Total
110036	1	Populations of 25,001 to 50,000 Small Government Term Enterprise License Agreement (Year 1 of ELA : starts 3/10/2017)	35,000.00	35,000.00
110036	1	Populations of 25,001 to 50,000 Small Government Term Enterprise License Agreement (Year 2 of ELA)	35,000.00	35,000.00
110036	1	Populations of 25,001 to 50,000 Small Government Term Enterprise License Agreement (Year 3 of ELA)	35,000.00	35,000.00
			Item Total:	105,000.00
			Subtotal:	105,000.00
			Sales Tax:	0.00
			Estimated Shipping & Handling(2 Day Delivery) :	0.00
			Contract Pricing Adjust:	0.00
			Total:	\$105,000.00

Esri may charge a fee to cover expenses related to any customer requirement to use a proprietary vendor management, procurement, or invoice program.

For questions contact: Joe Araiza

Email: jaraiza@esri.com

Phone: 312-609-0966 x5383

The items on this quotation are subject to the terms set forth herein and the terms of your signed agreement with Esri, if any, or, where applicable, Esri's standard terms and conditions at www.esri.com/legal, which are incorporated by reference. Federal government entities and government prime contractors authorized under FAR 51.1 may purchase under the terms of Esri's GSA Federal Supply Schedule. Acceptance is limited to the terms of this quotation. Esri objects to and expressly rejects any different or additional terms contained in any purchase order, offer, or confirmation sent to or to be sent by buyer. All terms of this quotation will be incorporated into and become part of any additional agreement regarding Esri's products and services.

If sending remittance, please address to: Esri, File No. 54630, Los Angeles, Ca 90074-4630

ENVIRONMENTAL SYSTEMS RESEARCH INSTITUTE, INC.
221 North LaSalle Street, Suite 863
Chicago, IL 60601

Phone: 312-609-0966 Fax: 909-307-3049
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City of Midland
Information Services
333 W Ellsworth St
Midland, MI 48640-5132

ATTENTION: Daniel Brumm
PHONE: (989) 837-3363
FAX:

If you have made ANY alterations to the line items included in this quote and have chosen to sign the quote to indicate your acceptance, you must fax Esri the signed quote in its entirety in order for the quote to be accepted. You will be contacted by your Customer Service Representative if additional information is required to complete your request.

If your organization is a US Federal, state, or local government agency; an educational facility; or a company that will not pay an invoice without having issued a formal purchase order, a signed quotation will not be accepted unless it is accompanied by your purchase order.

In order to expedite processing, please reference the quotation number and any/all applicable Esri contract number(s) (e.g. MPA, ELA, SmartBuy, GSA, BPA) on your ordering document.

BY SIGNING BELOW, YOU CONFIRM THAT YOU ARE AUTHORIZED TO OBLIGATE FUNDS FOR YOUR ORGANIZATION, AND YOU ARE AUTHORIZING ESRI TO ISSUE AN INVOICE FOR THE ITEMS INCLUDED IN THE ABOVE QUOTE IN THE AMOUNT OF \$_____, PLUS SALES TAXES IF APPLICABLE. DO NOT USE THIS FORM IF YOUR ORGANIZATION WILL NOT HONOR AND PAY ESRI'S INVOICE WITHOUT ADDITIONAL AUTHORIZING PAPERWORK.

Please check one of the following:

☐ I agree to pay any applicable sales tax.

☐ I am tax exempt, please contact me if exempt information is not currently on file with Esri.

Signature of Authorized Representative

Date

Name (Please Print)

Title

The quotation information is proprietary and may not be copied or released other than for the express purpose of system selection and purchase/license. This information may not be given to outside parties or used for any other purpose without consent from Environmental Systems Research Institute, Inc. (Esri).

Any estimated sales and/or use tax reflected on this quote has been calculated as of the date of this quotation and is merely provided as a convenience for your organization's budgetary purposes. Esri reserves the right to adjust and collect sales and/or use tax at the actual date of invoicing. If your organization is tax exempt or pays state tax directly, then prior to invoicing, your organization must provide Esri with a copy of a current tax exemption certificate issued by your state's taxing authority for the given jurisdiction.

Esri may charge a fee to cover expenses related to any customer requirement to use a proprietary vendor management, procurement, or invoice program.

For questions contact: Joe Araiza

Email: jaraiza@esri.com

Phone: 312-609-0966 x5383

The items on this quotation are subject to the terms set forth herein and the terms of your signed agreement with Esri, if any, or, where applicable, Esri's standard terms and conditions at www.esri.com/legal, which are incorporated by reference. Federal government entities and government prime contractors authorized under FAR 51.1 may purchase under the terms of Esri's GSA Federal Supply Schedule. Acceptance is limited to the terms of this quotation. Esri objects to and expressly rejects any different or additional terms contained in any purchase order, offer, or confirmation sent to or to be sent by buyer. All terms of this quotation will be incorporated into and become part of any additional agreement regarding Esri's products and services.

If sending remittance, please address to: Esri, File No. 54630, Los Angeles, Ca 90074-4630

SMALL ENTERPRISE AGREEMENT

COUNTY AND MUNICIPALITY GOVERNMENT

(E214-2)

This Agreement is by and between the organization identified in the Quotation ("Licensee") and **Environmental Systems Research Institute, Inc. ("Esri")**.

This Agreement sets forth the terms for Licensee's use of Products and incorporates by reference (i) the Quotation and (ii) the License Agreement. Should there be any conflict between the terms and conditions of the documents that comprise this Agreement, the order of precedence for the documents shall be as follows: (i) the Quotation, (ii) this Agreement, and (iii) the License Agreement. This Agreement shall be governed by and construed in accordance with the laws of the state in which Licensee is located without reference to conflict of laws principles, and the United States of America federal law shall govern in matters of intellectual property. The modifications and additional rights granted in this Agreement apply only to the Products listed in Table A.

Table A

List of Products

Uncapped Quantities

Desktop Software and Extensions

ArcGIS for Desktop Advanced

ArcGIS for Desktop Standard

ArcGIS for Desktop Basic

ArcGIS for Desktop Extensions: ArcGIS 3D Analyst, ArcGIS Spatial Analyst, ArcGIS Geostatistical Analyst, ArcGIS Publisher, ArcGIS Network Analyst, ArcGIS Schematics, ArcGIS Workflow Manager for Desktop, ArcGIS Data Reviewer

Server Software and Extensions

ArcGIS for Server Workgroup and Enterprise (Advanced, Standard, and Basic)

ArcGIS for Server Extensions: ArcGIS 3D Analyst, ArcGIS Spatial Analyst, ArcGIS Geostatistical Analyst, ArcGIS Network Analyst, ArcGIS Schematics, ArcGIS Workflow Manager for Server, ArcGIS Image Extension for Server

Developer Tools

ArcGIS Engine

ArcGIS Engine Extensions: ArcGIS 3D Analyst, ArcGIS Spatial Analyst, ArcGIS Engine Geodatabase Update, ArcGIS Network Analyst, ArcGIS Schematics

ArcGIS Runtime Standard

ArcGIS Runtime Standard Extensions: ArcGIS 3D Analyst, ArcGIS Spatial Analyst, ArcGIS Network Analyst

Limited Quantities

One (1) Annual Subscription to Esri Developer Network (EDN) Standard*

One (1) Esri CityEngine Advanced Single Use License

One (1) Esri CityEngine Advanced Concurrent Use License

One (1) Level 3 ArcGIS Online Subscription⁺

One (1) Level 3 Portal for ArcGIS Subscription⁺

OTHER BENEFITS

Number of Esri User Conference registrations provided annually	3
Number of Tier 1 Help Desk individuals authorized to call Esri	3
Maximum number of sets of backup media, if requested**	2
Self-Paced e-Learning	Uncapped
Five percent (5%) discount on all individual commercially available instructor-led training classes at Esri facilities purchased outside this Agreement (Discount does not apply to Small Enterprise Training Package.)	

*Maintenance is not provided for these items.

**Additional sets of backup media may be purchased for a fee.

⁺The quantity of named users and credits are specified in the corresponding program description.

Licensee may accept this Agreement by signing and returning the whole Agreement with a signed sales quotation, purchase order, or other document that matches the Quotation and references this Agreement ("Ordering Document"). **ADDITIONAL OR CONFLICTING TERMS IN LICENSEE'S ORDERING DOCUMENT WILL NOT APPLY, AND THE TERMS OF THIS AGREEMENT WILL GOVERN.** This Agreement is effective as of the date of Esri's receipt of Licensee's Ordering Document incorporating this Agreement by reference, unless otherwise agreed to by the parties ("Effective Date").

Term of Agreement: Three (3) years

This Agreement supersedes any previous agreements, proposals, presentations, understandings, and arrangements between the parties relating to the licensing of the Products. Except as provided in Article 4—Product Updates, no modifications can be made to this Agreement.

Accepted and Agreed:

(Licensee)

By: _____
Authorized Signature

Printed Name: _____

Title: _____

Date: _____

LICENSEE CONTACT INFORMATION

Contact: _____

Telephone: _____

Address: _____

Fax: _____

City, State, Postal Code: _____

E-mail: _____

Country: _____

Quotation Number (if applicable): _____

2.0—ADDITIONAL DEFINITIONS

In addition to the definitions provided in the License Agreement, the following definitions apply to this Agreement:

"Deploy", "Deployed" and "Deployment" mean to redistribute and install the Products and related Authorization Codes within Licensee's organization(s).

"Fee" means the fee set forth in the Quotation.

"Incident" means a failure of the Software or Online Services to operate according to the Documentation where such failure substantially impacts operational or functional performance.

"License Agreement" means (i) the applicable license agreement incorporated by this reference that is found at <http://www.esri.com/legal/software-license>; composed of the General License Terms and Conditions (E204) and Exhibit 1, Scope of Use (E300); and available in the installation process requiring acceptance by electronic acknowledgment or (ii) a signed license agreement between the parties that supersedes such electronically acknowledged license agreement.

"Maintenance" means Tier 2 Support, Product updates, and Product patches provided to Licensee during the Term of Agreement.

"Product(s)" means the products identified in Table A—List of Products and any updates to the list Esri provides in writing.

"Quotation" means the offer letter and quotation provided separately to Licensee.

"Technical Support" means the technical assistance for attempting resolution of a reported Incident through error correction, patches, hot fixes, workarounds, replacement deliveries, or any other type of Product corrections or modifications.

"Tier 1 Help Desk" means Licensee's point of contact(s) to provide all Tier 1 Support within Licensee's organization(s).

"Tier 1 Support" means the Technical Support provided by the Tier 1 Help Desk.

"Tier 2 Support" means the Technical Support provided to the Tier 1 Help Desk when an Incident cannot be resolved through Tier 1 Support. Licensee will receive Tier 2 Support from Esri.

2.0—ADDITIONAL GRANT OF LICENSE

2.1 Grant of License. Subject to the terms and conditions of this Agreement, Esri grants to Licensee a personal, nonexclusive, nontransferable license solely to use, copy, and Deploy quantities of the Products listed in Table A—List of Products for the term provided on the first page (i) for the applicable Fee and (ii) in accordance with the License Agreement.

2.2 Consultant Access. Esri grants Licensee the right to permit Licensee's consultants or contractors to use the Products exclusively for Licensee's benefit. Licensee will be solely responsible for compliance by consultants and contractors with this Agreement and will ensure that the consultant or contractor discontinues use of Products upon completion of work for Licensee. Access to or use of Products by consultants or contractors not exclusively for Licensee's benefit is prohibited. Licensee may not permit its consultants or contractors to install Software or Data on consultant, contractor, or third-party computers or remove Software or Data from Licensee locations, except for the purpose of hosting the Software or Data on Contractor Servers for the benefit of Licensee.

3.0—TERM, TERMINATION, AND EXPIRATION

3.1 Term. This Agreement and all licenses hereunder will commence on the Effective Date and continue for the duration identified in the Term of Agreement, unless this Agreement is terminated earlier as provided herein. Licensee is only authorized to use Products during the Term of Agreement. For an Agreement with a limited term, Esri does not grant Licensee an indefinite or a perpetual license to Products.

3.2 No Use upon Agreement Expiration or Termination. All Product licenses and all Maintenance, Esri Virtual Campus access, and Esri User Conference registrations terminate on expiration or termination of this Agreement.

3.3 Termination for a Material Breach. Either party may terminate this Agreement for a material breach by the other party. The breaching party will have thirty (30) days from the date of written notice to cure any material breach.

3.4 Termination for Lack of Funds. For an Agreement with government or government-owned entities, either party may terminate this Agreement before any subsequent year if Licensee is unable to secure

ing through the legislative or governing body's approval process.

3.5 Follow-on Term. If the parties enter into another agreement substantially similar to this Agreement for an additional term, the effective date of the follow-on agreement will be the day after the expiration date of this Agreement.

4.0—PRODUCT UPDATES

4.1 Future Updates. Esri reserves the right to update the list of Products in Table A—List of Products by providing written notice to Licensee. Licensee may continue to use all Products that have been Deployed, but support and upgrades for deleted items may not be available. As new Products are incorporated into the standard program, they will be offered to Licensee via written notice for incorporation into the Products schedule at no additional charge. Licensee's use of new or updated Products requires Licensee to adhere to applicable additional or revised terms and conditions of the License Agreement.

4.2 Product Life Cycle. During the Term of Agreement, some Products may be retired or may no longer be available to Deploy in the identified quantities. Maintenance will be subject to the individual Product Life Cycle Support Status and Product Life Cycle Support Policy, which can be found at <http://support.esri.com/en/content/productlifecycles>. Updates for Products in the mature and retired phases may not be available. Licensee may continue to use Products already Deployed during the Term of Agreement, but Licensee will not be able to Deploy retired Products.

5.0—MAINTENANCE

The Fee includes standard maintenance benefits during the Term of Agreement as specified in the most current applicable Esri Maintenance and Support Program document (found at <http://www.esri.com/legal>). At Esri's sole discretion, Esri may make patches, hot fixes, or updates available for download. No Software other than the defined Products will receive Maintenance. Licensee may acquire maintenance for other Software outside this Agreement.

a. Tier 1 Support

1. Licensee will provide Tier 1 Support through the Tier 1 Help Desk to all Licensee's authorized users.

2. The Tier 1 Help Desk will be fully trained in the Products.
3. At a minimum, Tier 1 Support will include those activities that assist the user in resolving how-to and operational questions as well as questions on installation and troubleshooting procedures.
4. The Tier 1 Help Desk will be the initial points of contact for all questions and reporting of an Incident. The Tier 1 Help Desk will obtain a full description of each reported Incident and the system configuration from the user. This may include obtaining any customizations, code samples, or data involved in the Incident. The Tier 1 Help Desk may also use any other information and databases that may be developed to satisfactorily resolve the Incident.
5. If the Tier 1 Help Desk cannot resolve the Incident, an authorized Tier 1 Help Desk individual may contact Tier 2 Support. The Tier 1 Help Desk will provide support in such a way as to minimize repeat calls and make solutions to problems available to Licensee.
6. Tier 1 Help Desk individuals are the only individuals authorized to contact Tier 2 Support. Licensee may change the Tier 1 Help Desk individuals by written notice to Esri.

b. Tier 2 Support

1. Tier 2 Support will log the calls received from Tier 1 Help Desk.
2. Tier 2 Support will review all information collected by and received from the Tier 1 Help Desk including preliminary documented troubleshooting provided by the Tier 1 Help Desk when Tier 2 Support is required.
3. Tier 2 Support may request that Tier 1 Help Desk individuals provide verification of information, additional information, or answers to additional questions to supplement any preliminary information gathering or troubleshooting performed by Tier 1 Help Desk.
4. Tier 2 Support will attempt to resolve the Incident submitted by Tier 1 Help Desk.
5. When the Incident is resolved, Tier 2 Support will communicate the information to Tier 1 Help Desk, and Tier 1 Help Desk will disseminate the resolution to the user(s).

8.0—ENDORSEMENT AND PUBLICITY

This Agreement will not be construed or interpreted as an exclusive dealings agreement or Licensee's endorsement of Products. Either party may publicize the existence of this Agreement.

7.0—ADMINISTRATIVE REQUIREMENTS

7.1 OEM Licenses. Under Esri's OEM or Solution OEM programs, OEM partners are authorized to embed or bundle portions of Esri products and services with their application or service. OEM partners' business model, licensing terms and conditions, and pricing are independent of this Agreement. Licensee will not seek any discount from the OEM partner or Esri based on the availability of Products under this Agreement. Licensee will not decouple Esri products or services from the OEM partners' application or service.

7.2 Annual Report of Deployments. At each anniversary date and ninety (90) calendar days prior to the expiration date of this Agreement, Licensee will provide Esri with a written report detailing all Deployments. Upon request, Licensee will provide records sufficient to verify the accuracy of the annual report.

8.0—ORDERING, ADMINISTRATIVE PROCEDURES, DELIVERY, AND DEPLOYMENT

8.1 Orders, Delivery, and Deployment

- a. Upon the Effective Date, Esri will invoice Licensee and provide Authorization Codes to activate the nondestructive copy protection program that enables Licensee to download, operate, or allow access to the Products. If this is a multi-year Agreement, Esri may invoice the Fee thirty (30) calendar days before the annual anniversary date for each additional year.
- b. Undisputed invoices will be due and payable within thirty (30) calendar days from the date of invoice. Esri's federal ID number is 95-2775-732.
- c. If requested, Esri will ship backup media to the ship-to address identified on the Ordering Document, FOB Destination, with shipping charges prepaid. Licensee acknowledges that should sales or use taxes become due as a result of any shipments of tangible media, Esri has a right to invoice and Licensee will pay any such sales or use tax associated with the receipt of tangible media.

8.2 Order Requirements. Esri does not require Licensee to issue a purchase order. Licensee may submit a purchase order in accordance with its own process requirements, provided that if Licensee issues a purchase order, Licensee will submit its initial purchase order on the Effective Date. If this is a multi-year Agreement, Licensee will submit subsequent purchase orders to Esri at least thirty (30) calendar days before the annual anniversary date for each additional year.

- a. All orders pertaining to this Agreement will be processed through Licensee's centralized point of contact.
- b. The following information will be included in each Ordering Document:
 - (1) Licensee name; Esri customer number, if known; and bill-to and ship-to addresses
 - (2) Order number
 - (3) Applicable annual payment due

9.0—MERGERS, ACQUISITIONS, OR DIVESTITURES

If Licensee is a commercial entity, Licensee will notify Esri in writing in the event of (i) a consolidation, merger, or reorganization of Licensee with or into another corporation or entity; (ii) Licensee's acquisition of another entity; or (iii) a transfer or sale of all or part of Licensee's organization (subsections i, ii, and iii, collectively referred to as "Ownership Change"). There will be no decrease in Fee as a result of any Ownership Change.

- 9.1** If an Ownership Change increases the cumulative program count beyond the maximum level for this Agreement, Esri reserves the right to increase the Fee or terminate this Agreement and the parties will negotiate a new agreement.
- 9.2** If an Ownership Change results in transfer or sale of a portion of Licensee's organization, that portion of Licensee's organization will transfer the Products to Licensee or uninstall, remove, and destroy all copies of the Products.
- 9.3** This Agreement may not be assigned to a successor entity as a result of an Ownership Change unless approved by Esri in writing in advance. If the assignment to the new entity is not approved, Licensee will require any successor entity to uninstall, remove, and destroy the Products. This Agreement will terminate upon such Ownership Change.

Backup material for agenda item:

14. * Zoning Petition No. 608 - to amend the City of Midland Zoning Map by rezoning property located at 1400 Bayliss Street from RC Regional Commercial zoning to RB Multiple Family Residential zoning subject to offered conditions (2/13). KAYE

**SUMMARY REPORT TO CITY MANAGER
for City Council Meeting of 1-23-17**

SUBJECT: Zoning Petition No. 608

PETITIONER: DGR Property Management, LLC

PLANNING COMMISSION PUBLIC HEARING: January 10, 2017

PLANNING COMMISSION ACTION: Recommendation of approval.

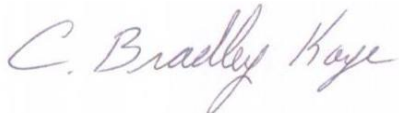
SUMMARY: ACTION TO SET A PUBLIC HEARING TO AMEND THE CITY OF MIDLAND ZONING MAP BY REZONING PROPERTY LOCATED AT 1400 BAYLISS STREET FROM RC REGIONAL COMMERCIAL ZONING TO RB MULTIPLE FAMILY RESIDENTIAL ZONING SUBJECT TO OFFERED CONDITIONS.

ITEMS ATTACHED:

1. Letter to City Manager setting forth Planning Commission action.
2. Resolution for City Council Action.
3. Staff Report to Planning Commission dated January 4, 2017.
4. Planning Commission minutes of January 10, 2017 (public hearing).
5. Applicant's written offer of conditions dated December 20, 2016.
6. Communication(s).
7. Map showing location of property.

CITY COUNCIL ACTION:

1. Public hearing is required. Date: February 13, 2017.
2. Advertising date: January 28, 2017.
3. Public Hearing notification to area residents mail date: January 27, 2017.
4. 3/5 vote required to set a public hearing.



C. Bradley Kaye, AICP, CFM
Assistant City Manager for Development Services

CBK

1-18-17



City Hall ♦ 333 West Ellsworth Street ♦ Midland, Michigan 48640-5132 ♦ 989.837.3300 ♦ 989.835.2717 Fax ♦ www.cityofmidlandmi.gov

January 18, 2017

Jon Lynch, City Manager
City Hall - 333 West Ellsworth Street
Midland, Michigan

Dear Mr. Lynch:

At its meeting on Tuesday, January 10, 2017, the Planning Commission considered Zoning Petition No. 608, the request of DGR Property Management, LLC, to rezone the property located at 1400 Bayliss Street from RC Regional Commercial zoning to RB Multiple Family Residential zoning. Considered as part of the request was a condition offered in writing by the applicant, voluntarily limiting use of the parcel to a single duplex.

After deliberation on the petition, the Planning Commission took the following action:

Motion by Heying and seconded by Hanna to recommend to City Council the approval of Zoning Petition No. 608 initiated by DGR Property Management, LLC to zone the property at 1400 Bayliss Street from RC Regional Commercial zoning to RB Multiple Family Residential zoning subject to the following offered condition:

1. To allow one single duplex to be built.

Vote on the motion:

YEAS: Bain, Hanna, Heying, Koehlinger, Mayville, McLaughlin, Pnacek, Stamas and Tanzini
NAYS: None
ABSENT: None

The motion was approved 9 to 0.

No public comments were received at the public hearing held by the Planning Commission. One letter of support was received on the petition.

The City Council is therefore being requested to set a public hearing to consider Zoning Petition No. 608 for February 13, 2017 at 7:00 p.m.

Respectfully,

C. Bradley Kaye, AICP, CFM
Assistant City Manager for Development Services

CBK/djm

LETTER OF TRANSMITTAL – ZP #608 Set PH



City Hall ♦ 333 West Ellsworth Street ♦ Midland, Michigan 48640-5132 ♦ 989.837.3300 ♦ 989.835.2717 Fax ♦ www.cityofmidlandmi.gov

BY COUNCILMAN

WHEREAS, a public hearing was held by the Planning Commission on Tuesday, January 10, 2017 for property located at 1400 Bayliss Street for the purpose of considering the advisability of amending the Zoning Map of Ordinance No. 1585, the Zoning Ordinance of the City of Midland, from RC Regional Commercial zoning to RB Multiple Family Residential zoning with an offered condition limiting the use of the parcel to a single duplex; now therefore

RESOLVED, that notice is hereby given that a public hearing will be held by the City Council on Monday, February 13, 2017, at 7:00 p.m. in the Council Chambers, City Hall, for the purpose of considering the advisability of amending the Zoning Map of Ordinance No. 1585, the Zoning Ordinance of the City of Midland, as set forth in the following proposed Ordinance, which is hereby introduced and given first reading; and

RESOLVED FURTHER, that the City Clerk is hereby directed to notify property owners within three hundred (300) feet of the area proposed to be rezoned by transmitting notice on or before January 27, 2017 and to publish said notice on January 28, 2017.

ORDINANCE NO. _____

AN ORDINANCE TO AMEND ORDINANCE NO. 1585, BEING AN ORDINANCE TO REGULATE AND RESTRICT THE LOCATION OF TRADES AND INDUSTRIES AND THE LOCATION OF BUILDINGS DESIGNED FOR SPECIFIC USES, TO REGULATE AND LIMIT THE HEIGHT AND BULK OF BUILDINGS HEREFTER ERECTED OR ALTERED, TO REGULATE AND DETERMINE THE AREA OF YARDS, COURTS, AND OTHER OPEN SPACES SURROUNDING BUILDINGS, TO REGULATE AND LIMIT THE DENSITY OF POPULATION, AND FOR SAID PURPOSES, TO DIVIDE THE CITY INTO DISTRICTS AND PRESCRIBE PENALTIES FOR THE VIOLATION OF ITS PROVISIONS BY AMENDING THE ZONING MAP TO PROVIDE A RESIDENTIAL B MULTIPLE FAMILY RESIDENTIAL ZONING DISTRICT WHERE A REGIONAL COMMERCIAL ZONING DISTRICT PRESENTLY EXISTS.

The City of Midland Ordains:

Section 1. That the Zoning Map of Ordinance No. 1585, being the Zoning Ordinance of the City of Midland, is hereby amended as follows:

PART OF THE SOUTHWEST $\frac{1}{4}$ OF SECTION 15, T14N-R2E, CITY OF MIDLAND, MIDLAND COUNTY, MICHIGAN BEING FURTHER DESCRIBED AS COMMENCING AT THE WEST $\frac{1}{8}$ POST OF SAID SECTION: THENCE N 00D 00M 00S E, 583.00 ALONG THE WEST $\frac{1}{8}$ LINE OF SAID SECTION; THENCE N 90D 00M 00S E 32.00 FEET TO THE POINT OF BEGINNING; THENCE N 00D 00M 00S E, 77.00 FEET; THENCE N 90D 00M 00S E 120.00 FEET; THENCE S 00D 00M 00S W 77.00 FEET; THENCE N 90D 00M 00S W, 120.00 FEET TO THE POINT OF BEGINNING CONTAINING 0.21 ACRES.

Be, and the same is hereby changed to Residential B Multiple Family Residential zoning with the following condition:

1. Only a single duplex shall be built on the parcel.

Section 2. All Ordinances or parts of Ordinances in conflict herewith are hereby repealed only to the extent necessary to give this Ordinance full force and effect.

Section 3. This Ordinance shall take effect upon publication.

YEAS:

NAYS:

ABSENT:

I, Selina Tisdale, City Clerk, City of Midland, Counties of Bay and Midland, State of Michigan, do hereby certify that the foregoing is a true and correct copy of a resolution adopted by a yea vote of all the Councilmen present at a regular meeting of the City Council held Monday, January 23, 2017.

Selina Tisdale, City Clerk



ZP #608

Date: January 4, 2017

STAFF REPORT TO THE PLANNING COMMISSION

SUBJECT: Zoning Amendment Petition #608 (Conditional Rezoning Request)

APPLICANT: DGR Property Management, LLC

LOCATION: 1400 Bayliss Street

AREA: 0.21 acres

ZONING: EXISTING RC Regional Commercial
PROPOSED RB Multiple Family Residential, subject to conditions

ADJACENT ZONING: North: OS Office Service
East: RC Regional Commercial
South: RC Regional Commercial
West: RB Multiple Family Residential

ADJACENT DEVELOPMENT: North: Wooded land, radio station office and tower
East: Vacant, wooded, commercial strip center
South: Single-family residential homes
West: Vacant, wooded land

REPORT

Zoning Petition No. 608, initiated by DGR Property Management, LLC, proposes to rezone property located at 1400 Bayliss Street from RC Regional Commercial zoning to RB Multiple Family Residential zoning, subject to the condition that only a single duplex can be built on the subject site. The proposed condition by the applicant effectively restricts the permitted uses on the site to a single duplex as all other permitted uses typically permitted in the RB zoning district would not be permitted.

BACKGROUND

This parcel is currently zoned RC Regional Commercial, along with the property to the immediate east and south of the subject site. The site has been zoned RC since 2005, prior to that the site was zoned BB-2, a district that is no longer used but largely similar to RC. Prior to that in 1963, the site was rezoned from Residential B to Conditional, a zoning that permitted commercial development.

While the site and the surrounding area was zoned for residential purposes (Residential B), the single-family homes that exist to the south of the subject site were built. All were constructed in the late 1930's to early 1940's. Much of the commercial development that lies to the southeast of the site, including what is now known as the Midland Towne Center, was developed in the late 1980's and early 1990's, according to City Assessing records.

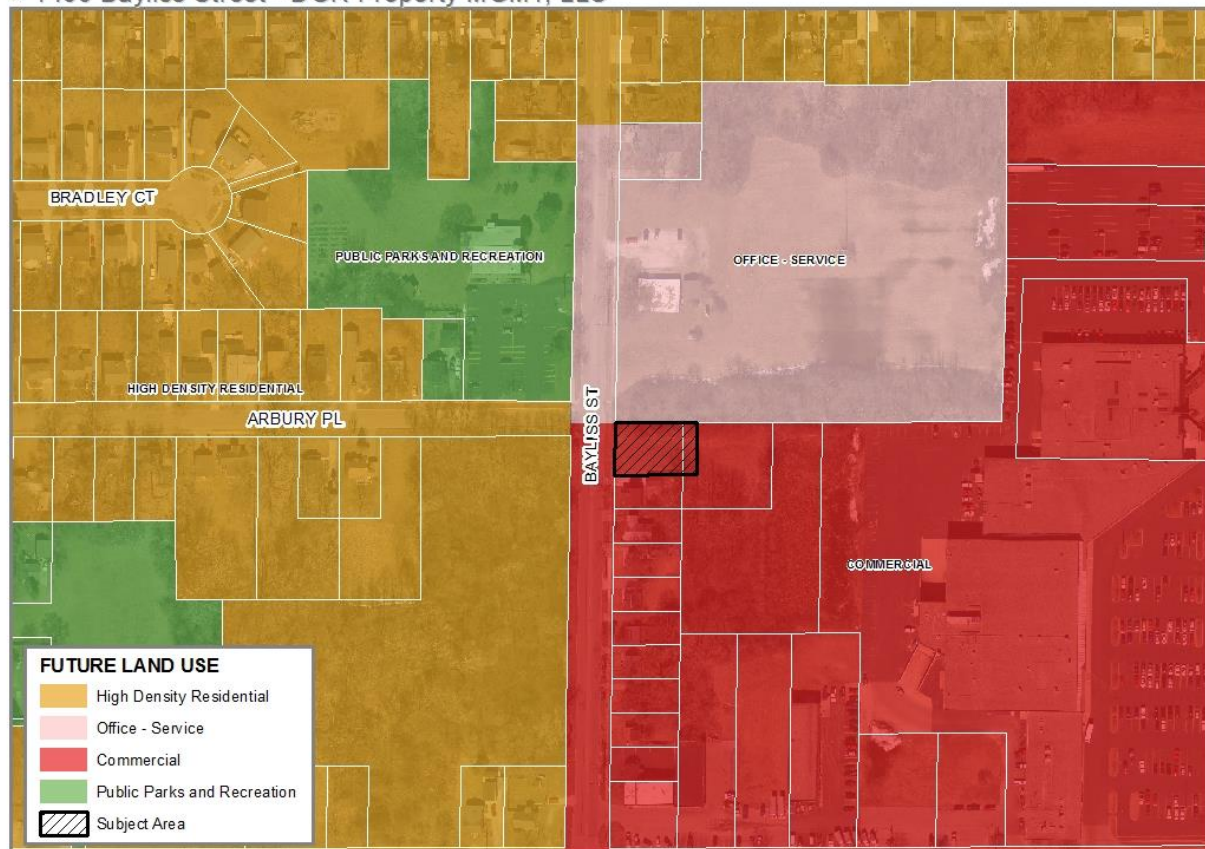
The proposed RB Multiple Family Residential zoning district is intended to address the varied housing needs of residents by providing areas for attached housing at a higher density than is permitted in any of the single-family residential districts. It is further intended that multiple-family housing 1) be designed with essential services, such as public water and sewer, and outdoor recreation space and recreation facilities; 2) have access to roads that can adequately handle the traffic generated by such uses; and 3) be designed to be compatible with surrounding uses, especially when a Multiple Family Residential District serves as a transitional use between single family residential development and more intensive development. Despite this stated intent of the RB District, the condition offered by the applicant would limit use of the site to a single duplex.

ASSESSMENT

In accordance with Section 30.03(D) of the Zoning Ordinance, the Planning Commission and City Council shall at minimum, consider the following before taking action on any proposed zoning map amendment:

1. Is the proposed amendment consistent with the City's Master Plan?

ZP #608 | RC Regional Commercial to RB Residential (with conditions) 
 > 1400 Bayliss Street - DGR Property MGMT, LLC



The Future Land Use map of the City's Master Plan identifies the subject area as Commercial. Lands to the south and east are also designated as Commercial. According to the City Master Plan, Commercial areas are intended to have a variety of uses, determined by the size and geographic location of the planned areas (e.g. large commercial centers versus small neighborhood commercial nodes). Consistent with this description, and given the scale of the surrounding commercial development, this particular area of the city has been planned for larger scale commercial centers.

The area surrounding the subject site contains a mix of different designations. To the north of the site, the future land use designation is Office-Service. To the west of the site, the lands are planned for High Density Residential purposes. To the northwest of the site, the area is planned for Public Parks and Recreation. The surrounding designations place this site within a transition area where land is planned for four different uses: residential, recreation, office-service, and commercial.

2. Will the proposed amendment be in accordance with the intent and purpose of the Zoning Ordinance?

In staff's opinion, the proposed rezoning would promote the basic intent of the zoning code through reclassification of the parcel as stated (outlined below) in the City's Zoning Ordinance, especially as it relates to providing for a variety of residential housing types.

Section 1.02 B INTENT

It is the purpose of this Zoning Ordinance to promote the public health, safety, comfort, convenience, and general welfare of the inhabitants of Midland by encouraging the use of lands and natural resources in accordance with their character, adaptability and suitability for particular purposes; to enhance social and economic stability; to prevent excessive concentration of population; to reduce hazards due to flooding; to conserve and stabilize the value of property; to provide adequate open space for light and air; to prevent fire and facilitate the fighting of fires; to allow for a variety of residential housing types and commercial and industrial land uses; to minimize congestion on the public streets and highways; to facilitate adequate and economical provision of transportation, sewerage and drainage, water supply and distribution, and educational and recreational facilities; to establish standards for physical development in accordance with the objectives and policies contained in the Master Plan (Comprehensive Development Plan); and to provide for the administration and enforcement of such standards.

3. Have conditions changed since the Zoning Ordinance was adopted that justifies the amendment?

Limited activity has taken place since the current commercial zoning district was established on this site in 1963. The development of the Midland Towne Center to the east was designed with the rear business accesses facing towards the site as well as the stormwater management basins being located behind the center. This design effectively limits the ability for the subject site, and the existing residences to the south, to be developed into business or commercial space without large-scale redevelopment. The amendment will facilitate development of the site that is consistent with the general pattern of development along this portion of Bayliss Street.

4. Will the amendment merely grant special privileges?

No. The immediate area, to the south and northwest, has been used for residential purposes since the mid-1930's. The amendment will extend an existing RB Multiple Family Residential district across Bayliss Street. It would also, however, establish residential zoning east of Bayliss Street that does not exist currently.

5. Will the amendment result in unlawful exclusionary zoning?

No. The zoning amendment will continue a pattern of zoning that is consistent with the general pattern of development in the area and in a manner that would not be considered exclusionary. The specific zoning request has been fashioned as an extension of the RB zoning to the west, even though RA-4 zoning without any conditions would also achieve the applicant's goal of constructing a duplex on the property.

6. Will the amendment set an inappropriate precedent?

Perhaps. The proposed amendment will allow for development that is consistent with the general pattern of existing residential development along this portion of Bayliss Street. The amendment will extend an existing RB Multiple Family Residential district from across Bayliss Street. It will also, however, introduce residential zoning into an area where such zoning does not exist and where it has not been planned, notwithstanding the presence of existing residences.

7. Is the proposed zoning consistent with the zoning classification of surrounding land?

Partially. Surrounding lands exhibit a pattern of mixed use and mixed zoning. The proposed zoning will permit a two family dwelling, which is considered an appropriate use given surrounding one family, multiple family, office service and commercial zoning. It is not, however, consistent with the RC zoning that applies to the south and east on adjacent properties.

8. Is the proposed zoning consistent with the future land use designation of the surrounding land in the City Master Plan?

No. The current Master Plan, adopted in 2007 and the previous Master Plan, adopted in 1997, established the subject site and the immediate lands surrounding as a transitional area between residential, office-service, commercial, and recreational uses. While the subject site is designated as Commercial, consideration must be given to the character of this transitional area. It would not be incorrect to consider the proposed zoning as a reasonable extension of the High Density Residential designation and the RB Multiple Family Residential zoning district that is established across Bayliss Street.

9. Could all requirements in the proposed zoning classification be complied with on the subject parcel?

Yes. The parcel could meet all of the RB Multiple Family Residential zoning requirements for new developments considering the condition to limit the site to a single-duplex.

10. Is the proposed zoning consistent with the trends in land development in the general vicinity of the property in question?

Inconclusive. The proposed zoning classification of RB will be consistent with the some of the existing residential land uses in the area. Aside from commercial development in the 1980's and 1990's, however, the area has remained stable and no development has taken place. No development trends are therefore apparent. Commercial and office service development is expected to continue to the north and southeast but can be planned in such a way to be consistent with high or medium density residential uses within the subject site and along Bayliss Street to the south. Likely use and redevelopment of the lands to the south is not clear despite the Commercial land use designation applied to these properties.

STAFF RECOMMENDATION

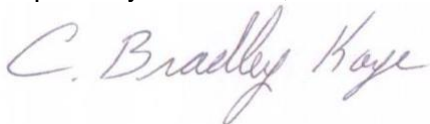
Per the staff comments above, this application does not satisfy every one of the criteria that are to be considered during a zoning petition. That said, a positive response to every criteria is not necessary. With that in mind, and considering the totality of both the criteria and the circumstances, staff recommends approval of the rezoning petition for the following reasons:

- A conditional rezoning to establish RB Multiple Family Residential zoning that limits development to a single duplex is a reasonable and appropriate zoning classification that will permit development of the subject lands in a manner compatible with the adjacent residential development including the existing single family residential uses to the south of the subject site.
- RB Multiple Family Residential zoning district is a reasonable extension of the zoning district across Bayliss Street from the subject site.
- The Future Land Use Map of the Master Plan establishes this area as a transitional zone between residential, office-service, commercial and recreational land uses.
- The proposed zoning district is considered appropriate given existing and anticipated future development patterns in the area.

PLANNING COMMISSION ACTION

Staff currently anticipates that the Planning Commission will hold a public hearing on this request during its regular meeting on January 10, 2017 and will formulate an appropriate recommendation to City Council thereafter. If recommended to City Council the same evening, we anticipate that on January 23, 2017 the City Council will set a public hearing on this matter. Given statutory notification and publication requirements, the City Council will schedule a public hearings for February 13, 2017 at which time a decision will be made on the proposed zoning change. Please note that these dates are merely preliminary and may be adjusted due to Planning Commission action and City Council agenda scheduling.

Respectfully Submitted,



C. Bradley Kaye, AICP
Assistant City Manager for Development Services

/grm

**MINUTES OF THE MEETING OF THE
MIDLAND CITY PLANNING COMMISSION
WHICH TOOK PLACE ON
TUESDAY, JANUARY 10, 2017, 7:00 P.M.,
COUNCIL CHAMBERS, CITY HALL, MIDLAND, MICHIGAN**

1. The meeting was called to order at 7:00 p.m. by Chairman McLaughlin
2. The Pledge of Allegiance was recited in unison by the members of the Commission and the other individuals present.

3. **Roll Call**

PRESENT: Bain, Hanna, Heying, Koehlinger, Mayville, McLaughlin, Pnacek, Stamas and Tanzini

ABSENT: None

OTHERS PRESENT: Brad Kaye, Assistant City Manager for Development Services; Grant Murschel, Community Development Planner; and two (2) others.

4. **Approval of Minutes**

Moved by Hanna and seconded by Pnacek to approve of the minutes as amended of the regular meeting of November 22, 2016. Motion passed unanimously.

5. **Public Hearing**

- a. **Zoning Petition No. 608** – initiated by DGR Property Management, LLC to zone the property located at 1400 Bayliss Street from RC Regional Commercial zoning to RB Multiple-Family Residential, subject to the condition offered by the applicant that would restrict use of the property to a single duplex.

Murschel gave the presentation on this proposal. He explained the review criteria and the answers to each one by staff. A positive response to every review criterion is not needed but the application should be considered given the totality of the responses. The designation of the subject site on the future land use map does not match the proposed rezoning but consideration should be given to the transitional nature of this area. The applicant has offered the condition to limit the permitted uses on the site to a single duplex in writing.

Bain wondered if there was any concern over dioxin remediation levels. Kaye indicated that this does not have bearing on the consideration of rezoning as it is a matter between the property owner and The Dow Chemical Company.

Mayville wondered if this area along Bayliss Street should be reconsidered in the Master Plan. Kaye commented that staff would not necessarily support such a change as the entire block has been designated for commercial purposes for many years.

Dave Rapanos, owner of the property, spoke as the applicant. He indicated that he has a letter from Dow stating that after testing it was determined that the property did not need to be remediated for dioxin.

No one spoke in support or opposition of the proposal. The public hearing was closed.

A motion was made by Heying to waive the procedural requirements to permit consideration of the proposed application. The motion was seconded by Hanna. The motion was approved unanimously.

Koehlinger commented that in the 40 years that this area has been zoned for commercial development, no redevelopment has taken place in this strip along Bayliss Street. He thought this was notable and wondered if it might be appropriate to reconsider the designation in the future to reflect this and the pattern of residential development. McLaughlin indicated that this area could be added to the list of areas to consider during the next update of the Master Plan. The Commission agreed to have it added to the list for future consideration.

Hanna commented that she liked the proposal and hoped that it would stimulate additional investment in this neighborhood. Bain commented that development of a duplex on this site would add to the neighborhood rather than detract.

Heying added that much of his consideration of the proposal related to the potential of setting an inappropriate precedence. He has concluded that it would not, given the uniqueness of the site and the lack of other sites that are similar in the city.

It was moved by Heying and supported by Hanna to recommend approval of Zoning Petition No. 608 initiated by DGR Property Management, LLC to zone the property located at 1400 Bayliss Street to RB Multiple-Family Residential zoning, subject to the condition offered by the applicant.

YEAS: Bain, Hanna, Heying, Koehlinger, Mayville, McLaughlin, Pnacek, Stamas and
Tanzini
NAYS: None

6. Old Business

None

7. Public Comments (unrelated to items on the agenda)

None

8. New Business

None

9. Communications

Various materials were distributed to the Commission including the Planning & Zoning News, and the updated Future Land Use Map of the City's Master Plan.

10. Report of the Chairperson

None

11. Report of the Planning Director

Kaye gave an update on ongoing projects staff is working on that relates to the concerns of the Planning Commission including the Capital Improvement Plan, Poseyville Roadside Park, Redevelopment Ready Communities certification, and dioxin remediation updates.

12. Items for Next Agenda – January 24, 2017

None. The Commission agreed to the cancel this meeting.

13. Adjourn

It was motioned by Hanna and seconded by Mayville to adjourn at 8:25 p.m. Motion passed unanimously.

Respectfully submitted,

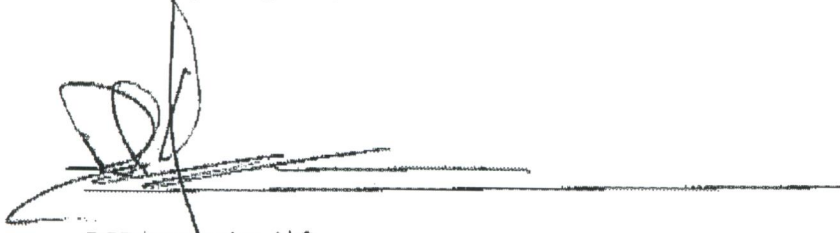
A handwritten signature in blue ink that reads "C. Bradley Kaye". The signature is written in a cursive, flowing style.

C. Bradley Kaye, AICP, CFM
Assistant City Manager for Development Services

MINUTES ARE NOT FINAL UNTIL APPROVED BY THE PLANNING COMMISSION

12/20/2016

I, David G. Rapanos, on behalf of DGR Properties, LLC will restrict my zoning request of RB zoning to allow only 1 single duplex to be built on the rezoned property.

A handwritten signature in black ink, appearing to be 'DGR', is written over a horizontal line. The signature is stylized and somewhat abstract.

DGR Properties, LLC

David G. Rapanos

RECEIVED

L-

PUBLIC HEARING NOTICE
City of Midland
PROPOSED ZONING

JAN 03 2017
PLANNING DEPT

Please take notice that the Midland City Planning Commission will conduct a public hearing on:
Zoning Petition No. 608, initiated by DGR Property Management, LLC to zone the property located at 1400 Bayliss Street from Regional Commercial zoning to Residential B Multiple Family Residential zoning with the condition to allow only one single duplex to be developed.

Said hearing will take place on Tuesday, January 10, 2017, at 7:00 p.m., in Council Chambers, City Hall, Midland, Michigan, as required by Article XXX, Section 30.03(A) of Ordinance No. 1585.

If you have any questions, contact the City Planning Department at 837-3374.

MIDLAND CITY PLANNING COMMISSION

C. Bradley Kaye

C. Bradley Kaye, AICP, CFM
Assistant City Manager for Development Services

ZP #608 | RC Regional Commercial to RB Residential (with conditions)
> 1400 Bayliss Street - DGR Property MGMT, LLC

